



October 27, 1995

Permit Coordination Unit
Department of Ecology
P. O. Box 47703
Olympia, WA 98504-7703

Re: Corps of Engineers Public Notice
95-2-00970

Ladies and Gentlemen:

We are in receipt of the Corps of Engineers Public Notice of Application for Permit covering the above referenced project and your Notice of Application for Water Quality Certification and for Certification of Consistency with the Washington Coastal Zone Management Program. As Co-Trustee of both the Giuseppe and Assunta Desimone Trusts, owners of the property adjacent to the proposed mitigation area identified as Turning Basin Number Three, we must voice serious concerns regarding an issue previously discussed with Port of Seattle Officials.

Our concern is that directly adjacent to, and apparently located partially within the proposed 1.2 acre site is the burned out hulk of a long abandoned ferry boat and nowhere in review of the proposed mitigation of this area do we find any reference to removal or containment of this ecological disaster.

Should this hulk be allowed to remain, we feel it is both a long term source of pollution as it deteriorates and is inconsistent with the Washington State Coastal Zone Management Program.

Our position is simply that proper and complete mitigation of the T-5 project through restoration of the intertidal habitat at Turning Basin Number Three is an inappropriate and incomplete compromise without complete removal of this hulk.

Your attention to this matter is appreciated.

Very truly yours,

Richard H. Anderson, CPM, RPA
Vice President/Real Estate
Seafirst Investment Counselors, CSC-47
(206) 358-3409

RHA/mb

cc: Desimone Family Members
Dave Sweeney
James Gallagher

DFT 001484



October 27, 1995

US Army Corps of Engineers
Seattle District
Regulatory Branch
P. O.Box 3755
Seattle, Washington 98124-2255

Attention: Jack Gossett, Project Manager

RE: Seattle, Port of
95-2-00970

Dear Mr. Gossett:

We are in receipt of the Public Notice of Application for Permit covering the above referenced project and as Co-Trustee of both the Giuseppe and Assunta Desimone Trusts, owners of the property adjacent to the proposed mitigation area identified as Turning Basin Number Three, must voice serious concerns regarding an issue previously discussed with Port of Seattle Officials.

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Very truly yours,

Richard H. Anderson, CPM, RPA
Vice President/Real Estate
Seafirst Investment Counselors, CSC-47
(206) 358-3409

RHA/mb

cc: Desimone Family Members
Dave Sweeney
James Gallagher

DFT 001485



US Army Corps
of Engineers
Seattle District

Public Notice of Application for Permit

Regulatory Branch
Post Office Box 3755
Seattle, Washington 98124-2255
Telephone (206) 764-3495
ATTN: Jack Gossett, Project Manager

Public Notice Date: 23 October 1995
Expiration Date: 22 November 1995
Reference: 95-2-00970
Name: Seattle, Port of

Interested parties are hereby notified that an application has been received for a Department of the Army permit in accordance with Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act for certain work described below and shown on the enclosed drawings.

APPLICANT - Port of Seattle
Environmental Management Section
Post Office Box 1209
Seattle, Washington 98111
ATTN: Mr. Doug Hotchkiss
Telephone: (206) 728-3192

LOCATION - In the West Waterway, Duwamish Waterway, Puget Sound at Seattle, Washington.

WORK - Demolish existing wooden pier; drive piling and construct a 400-foot concrete extension to the existing Terminal 5 (T-5) pier apron; dredge 35,000 cubic yards of sediment and dispose of at the Puget Sound Dredged Disposal Analysis (PSDDA) Elliott Bay Open Water Disposal site; discharge 27,000 cubic yards of fill and riprap, impacting approximately 0.2 of an acre of intertidal fish and wildlife habitat.

PURPOSE - Add one new cargo container berth to T-5.

PUGET SOUND DREDGED DISPOSAL ANALYSIS (PSDDA):

a. Dredged Material Testing: The proposed material to be dredged has been tested according to the procedures specified in PSDDA. The PSDDA is a multi-agency program for the evaluation of dredged material proposed for disposal at open-water sites in Puget Sound. The PSDDA evaluations may include both chemical and biological testing of sediments. For this project, the PSDDA agencies determined that all 35,000 cubic yards were suitable for unconfined disposal at the PSDDA open-water site in Elliott Bay. The sediment testing data are available at the Seattle District, Dredged Material Management Office.

b. Disposal Site Use Conditions: The following standard site use conditions will be specified by the United States Army Corps of Engineers (Corps) and the Washington Department of Natural Resources as part of the Federal/State permitting processes: (1) during the periods of tribal fishing in the disposal site area, disposal will only occur during daylight hours; and (2) during the daylight hours "navigation rules of the road" will apply to the dredger in the event Indian treaty fishing is occurring at the disposal site. Other appropriate special conditions may be added as a result of comments received during the public review period for this public notice.

c. The United States Coast Guard must be notified by letter 14 days prior to commencing dredge operations. Notification should be sent to Commander, Thirteenth Coast Guard District, 915 Second Avenue, Seattle, Washington 98174-1067 or faxed to (206) 220-7285. Dredging operations from and north of Marrowstone Point Light must monitor VHF-FM Channels 13 and 5A. Dredging operations south of Marrowstone Point Light must monitor VHF-FM Channels 13 and 14.

ADDITIONAL INFORMATION - A joint NEPA/SEPA Final Environmental Impact Statement (EIS) entitled "Southwest Harbor Cleanup and Redevelopment Project," was issued for this project in November 1994. The Final EIS identified a two-option preferred alternative to redevelop the West Waterway: a one-berth option and a two-berth option. Although the Port of Seattle has applied for a permit to construct only the one-berth option, the proposed mitigation, outlined below, is designed to replace intertidal habitat lost for both options. Both the Draft EIS and the Final EIS are available for review at the Corps Regulatory Branch office. The Corps was a joint lead agency in developing the EIS under Application Number OYB-2-014832.

MITIGATION - The Port of Seattle proposes to create mitigation associated with this project that will compensate for unavoidable losses of intertidal habitat for both the one-berth and the two-berth option. The new 400-foot concrete extension to T-5 will cause the loss of 0.2 of an acre of intertidal habitat. If the two-berth option is constructed in the future, it will cause an additional loss of 0.9 of an acre of intertidal habitat. Under the current permit application the Port of Seattle proposes to restore 1.2 acres of filled upland back to intertidal fish and wildlife habitat at Turning Basin Number Three, on the Duwamish Waterway (river mile 5.3) upstream of the project site. The Port of Seattle will remove existing buildings and utilities from these uplands and remove 33,000 cubic yards of sand and soil fill material, restoring the uplands to intertidal elevations from -3 to +8 feet Mean Lower Low Water.

ENDANGERED SPECIES - A preliminary determination indicates that the activity will not affect endangered or threatened species, or their critical habitat, designated under the Endangered Species Act of 1973. Formal consultation under Section 7 of the Act is not required.

CULTURAL RESOURCES - Presently unknown archeological, scientific, prehistorical or historical data may be lost or destroyed by work to be accomplished under the requested permit. The work is not located on a property registered in the National Register of Historic Places. This public notice has been provided to the appropriate State Historic Preservation Officer.

PUBLIC HEARING - Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, the reasons for holding a public hearing.

EVALUATION - The decision whether to issue a permit will be based on an evaluation of the probable impact, including cumulative impacts of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered, including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns, historic properties, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people.

95-2-00970.

The Corps is soliciting comments from the public; Federal, State, and local agencies and officials; Indian tribes; and other interested parties in order to consider and evaluate the impacts of this activity. Any comments received will be considered by the Corps to determine whether to issue, modify, condition or deny a permit for the work. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the activity.

The evaluation of the impact of the activity on the public interest will include application of the guidelines promulgated by the Administrator, Environmental Protection Agency, under authority of Section 404(b) of the Clean Water Act.

ADDITIONAL EVALUATION - The State of Washington is reviewing this work for consistency with the approved Washington Coastal Zone Management Program.

The construction proposal is the subject of Shoreline Substantial Development Permit No. 9404118 being processed by the city of Seattle.

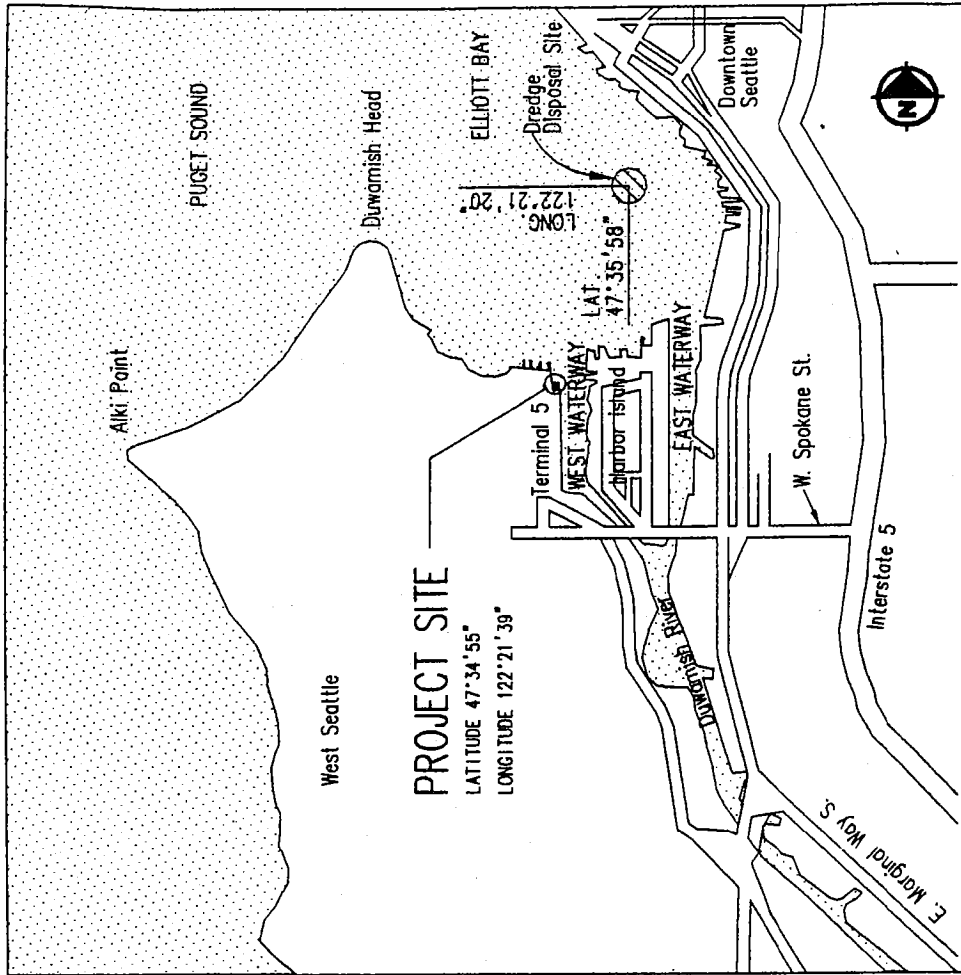
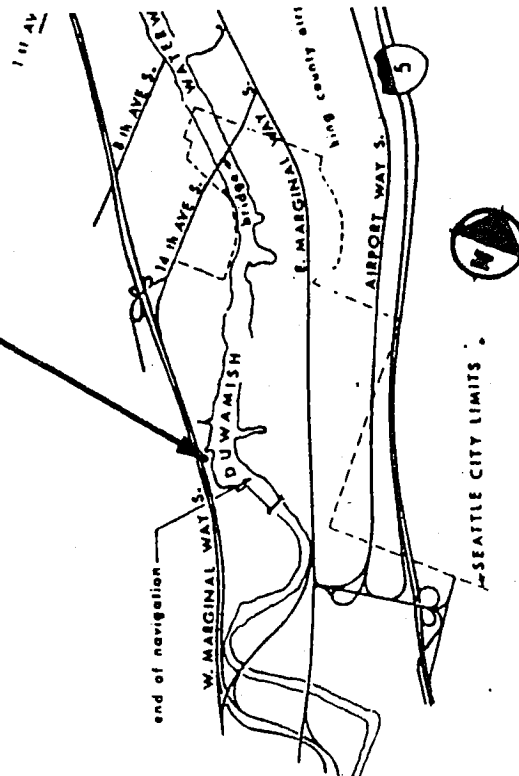
The mitigation proposal is the subject of Shoreline Substantial Development permit No. L-950032 being processed by the city of Tukwila.

COMMENT AND REVIEW PERIOD - Comments on these factors will be accepted and made part of the record and will be considered in determining whether it would be in the best public interest to grant a permit. Comments should reach this office, Attn: Regulatory Branch, not later than the expiration date of this public notice to ensure consideration and refer to the following name and file number:

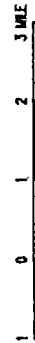
Seattle, Port of
95-2-00970

Encl
Drawings (12)

MITIGATION SITE



VICINITY MAP



95-2-00970

PURPOSE: PROPOSED CONSTRUCTION OF NEW 400' CONCRETE APRON IN WEST DUWAMISH WATERWAY. PROVIDE ADEQUATE DEPTH FOR MOORAGE AND MOVEMENT OF CONTAINER CARGO SHIPS.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

- ① PORT OF SEATTLE
- ② CITY OF SEATTLE
- ③ PUGET SOUND RESOURCE

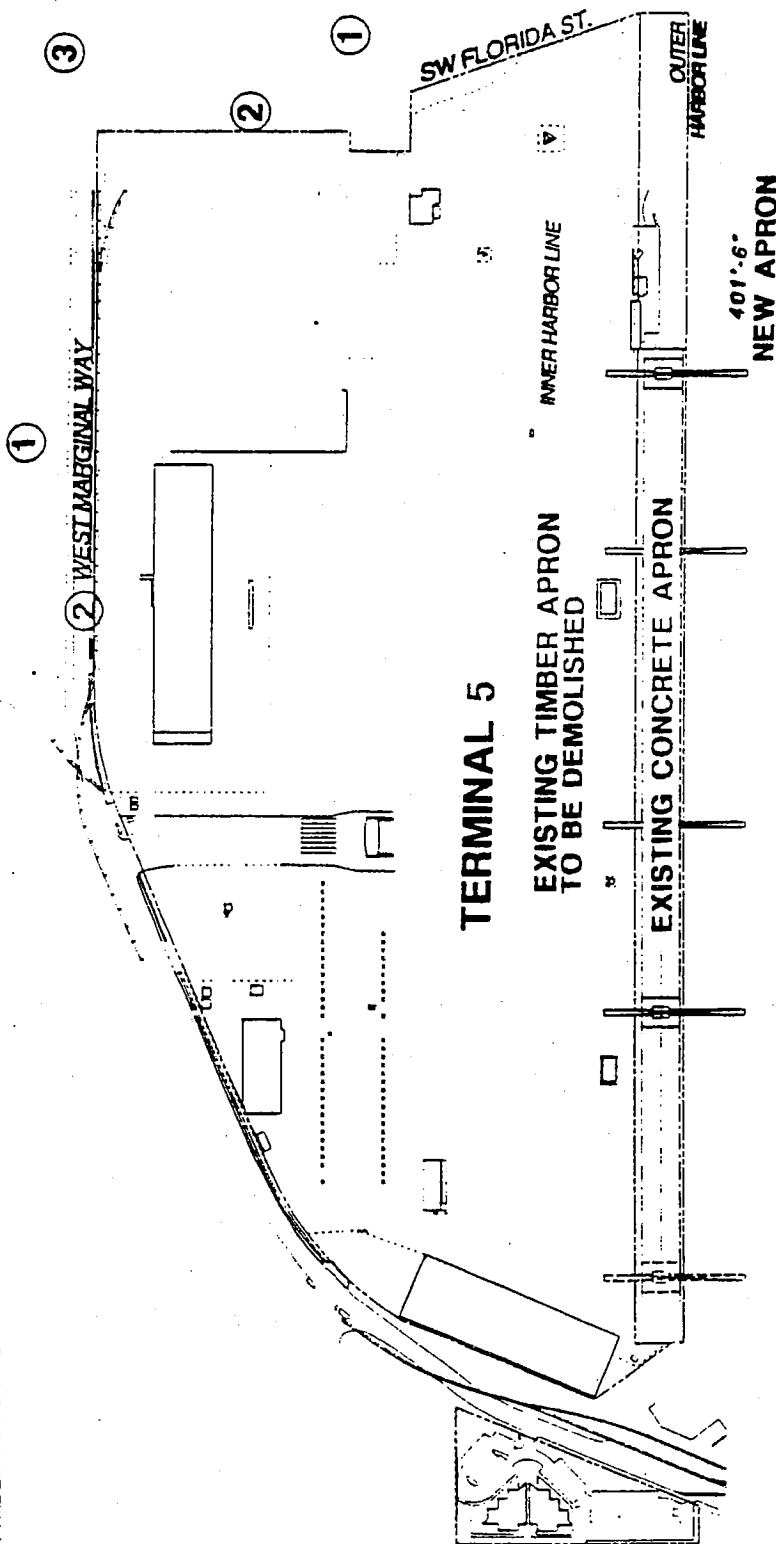
Port of Seattle
P.O. Box 1209
Seattle, Washington
98111

PROPOSED CONSTRUCTION OF NEW APRON, DREDGE, FILL AND STORMWATER OUTFALL

IN: WEST DUWAMISH WATERWAY
AT: PORT OF SEATTLE, TERMINAL 5
COUNTY OF : KING STATE OF : WA
APPLICATION BY : PORT OF SEATTLE
SHEET 1 OF 12 DATE : 4/28/94 REV. 9/20/95

DFT 001489

EXISTING CONC. APRON: LAST EXPANSION BUILT 1986
EXISTING TIMBER APRON: BUILT EARLY 1900'S



SCALE: 1"=500'

95-2-00970

PROPOSED CONCRETE APRON
TERMINAL 5 PLAN



Port of Seattle

P.O. Box 1209
Seattle, Washington
98111

PURPOSE: PROPOSED CONSTRUCTION OF NEW 400' CONCRETE APRON IN WEST DUMAMISH WATERWAY. PROVIDE ADEQUATE DEPTH FOR MOORAGE AND MOVEMENT OF CONTAINER CARGO SHIPS.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

- ① PORT OF SEATTLE
- ② CITY OF SEATTLE
- ③ PUGET SOUND RESOURCE

PROPOSED CONSTRUCTION OF NEW APRON, DREDGE, FILL AND STORMWATER OUTFALL

IN: WEST DUMAMISH WATERWAY

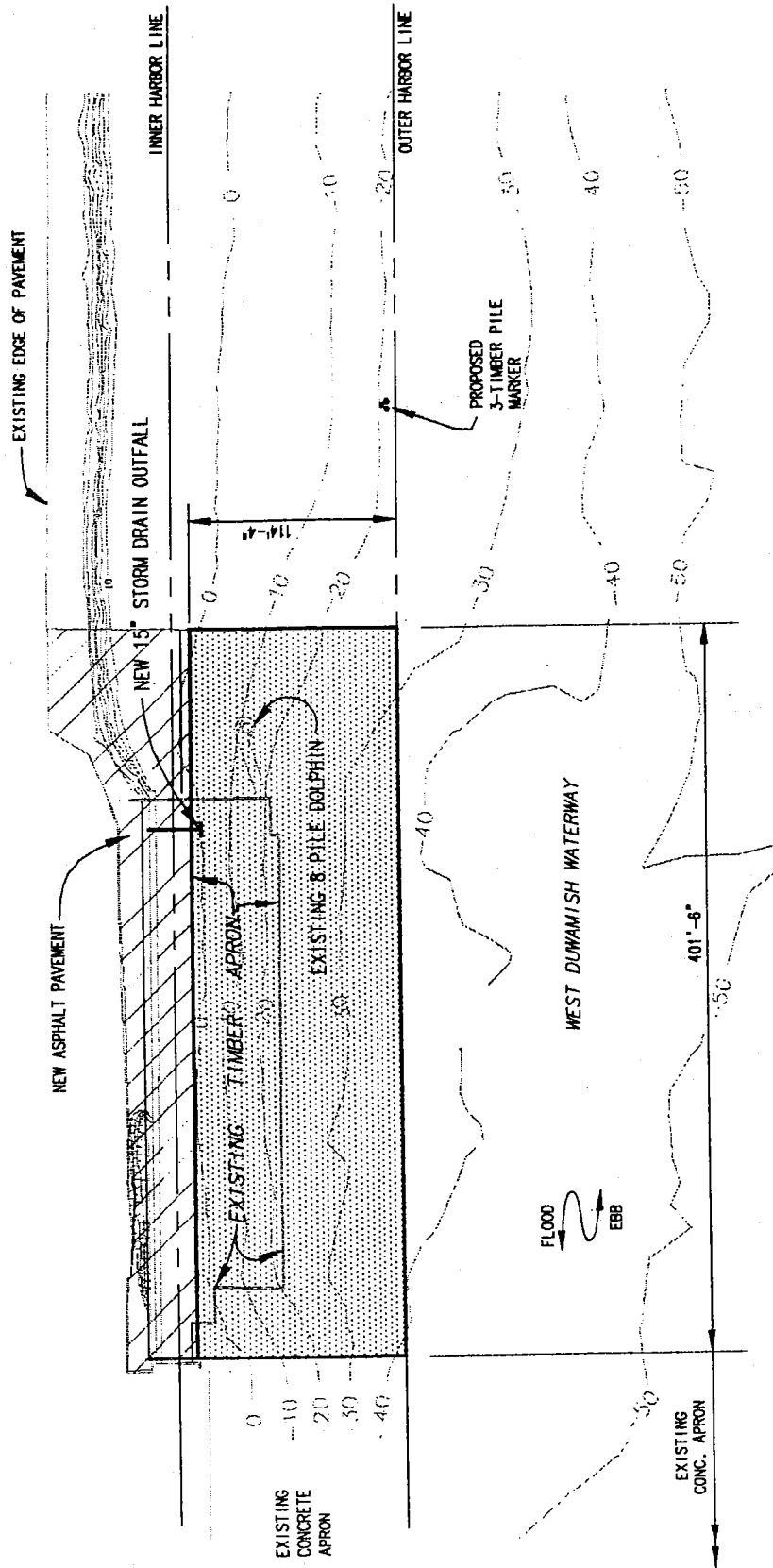
AT: PORT OF SEATTLE, TERMINAL 5

COUNTY OF : KING STATE OF : WA

APPLICATION BY : PORT OF SEATTLE




SHEET 2 OF 12 DATE : 4/28/94 REV. 9/20/95

DFT 001490



EXISTING TIMBER APRON,
PROPOSED CONCRETE APRON
AND STORM WATER OUTFALL

LEGEND

-  PROPOSED CONCRETE APRON
-  NEW ASPHALT PAVEMENT
-  EXISTING CONTOUR



SCALE: 1"=100'



95-2-00970

PURPOSE: PROPOSED CONSTRUCTION OF NEW 400' CONCRETE APRON IN WEST DUWAMISH WATERWAY. PROVIDE ADEQUATE DEPTH FOR MOORAGE AND MOVEMENT OF CONTAINER CARGO SHIPS.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

- ① PORT OF SEATTLE
- ② CITY OF SEATTLE
- ③ PUGET SOUND RESOURCE

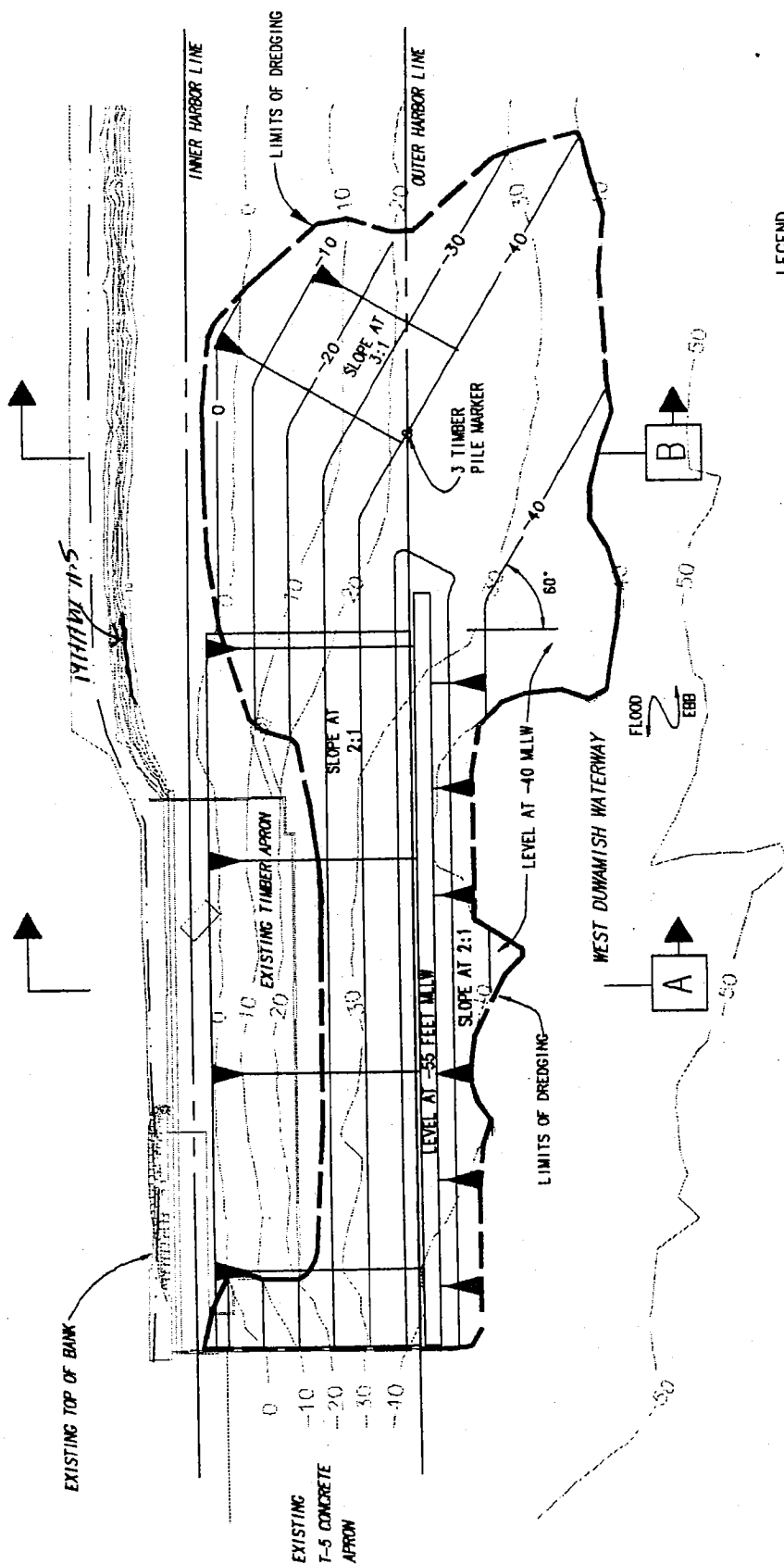


Port of Seattle

**P.O. Box 1209
Seattle, Washington
98111**

PROPOSED CONSTRUCTION OF NEW APRON, DREDGE,
FILL AND STORMWATER OUTFALL

IN: WEST DUWAMISH WATERWAY
AT: PORT OF SEATTLE, TERMINAL 5
COUNTY OF : KING STATE OF : WA
APPLICATION BY : PORT OF SEATTLE
SHEET 3 OF 12 DATE : 4/28/94 REV. 9/20/95



LEGEND

- EXISTING TOP OF BANK
- LIMITS OF DREDGING
- EXISTING CONTOUR
- DREDGE CONTOUR

PROPOSED DREDGE PLAN

SCALE: 1"=100'



95-2-00970

NOTES:

1. DREDGE MATERIAL (APPROX 35,000 CY) SHALL BE DISPOSED OF AT THE ELLIOT BAY OPEN WATER DISPOSAL SITE (SEE SHEET 1).

PURPOSE: PROPOSED CONSTRUCTION OF NEW 400' CONCRETE APRON IN WEST DUMAMISH WATERWAY. PROVIDE ADEQUATE DEPTH FOR MOORAGE AND MOVEMENT OF CONTAINER CARGO SHIPS.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

- ① PORT OF SEATTLE
- ② CITY OF SEATTLE
- ③ PUGET SOUND RESOURCE

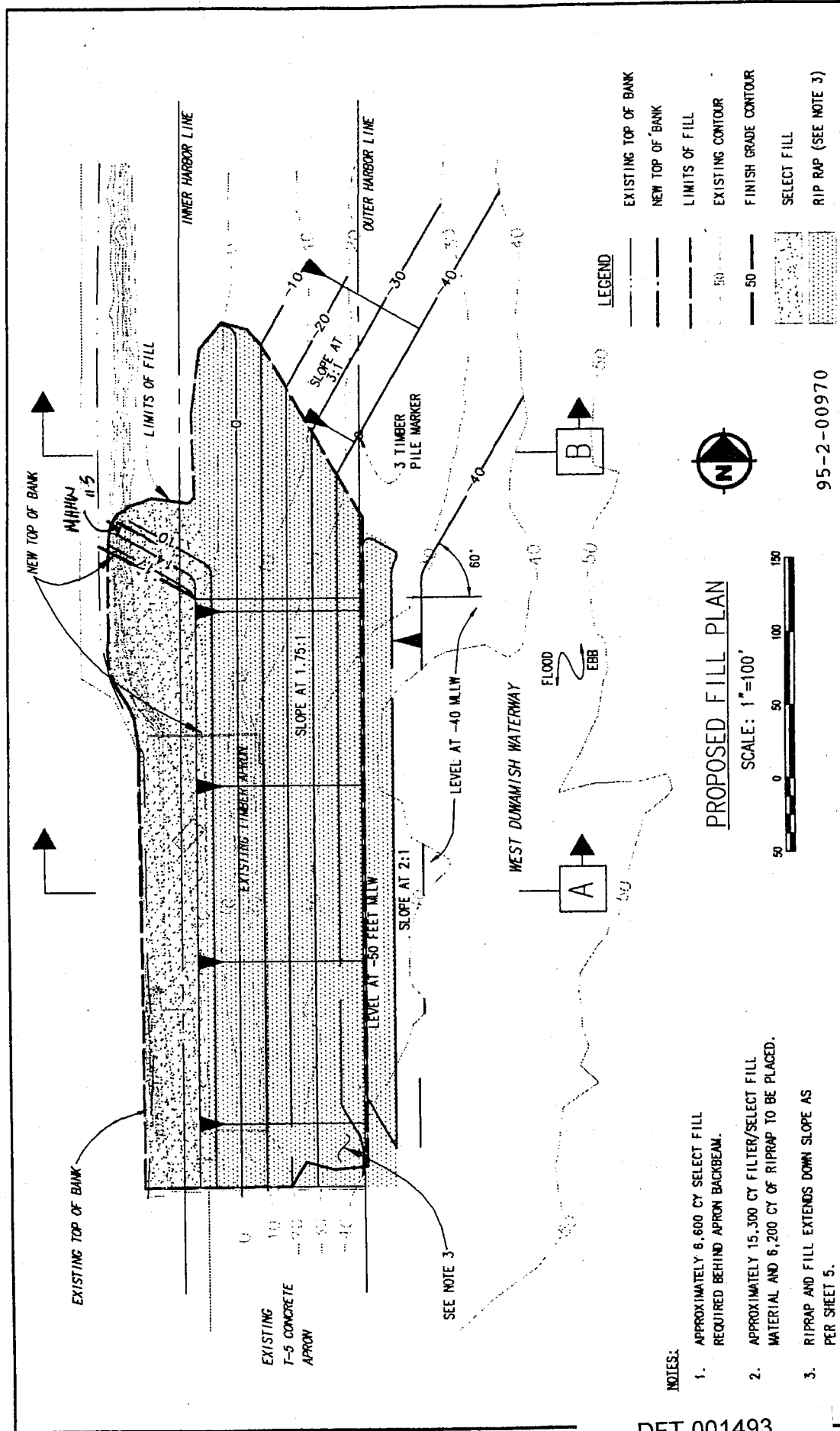


**P.O. Box 1209
Seattle, Washington
98111**

PROPOSED CONSTRUCTION OF NEW APRON, DREDGE, FILL AND STORMWATER OUTFALL

IN: WEST DUMAMISH WATERWAY
AT: PORT OF SEATTLE, TERMINAL 5
COUNTY OF : KING STATE OF : WA
APPLICATION BY : PORT OF SEATTLE

SHEET 4 OF 12 DATE : 4/17/95 REV. 9/20/95



NOTES:

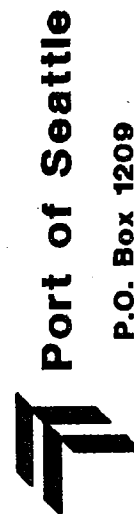
1. APPROXIMATELY 6,600 CY SELECT FILL REQUIRED BEHIND APRON BACKBEAM.
2. APPROXIMATELY 15,300 CY FILTER/SELECT FILL MATERIAL AND 6,200 CY OF RIPRAP TO BE PLACED.
3. RIPRAP AND FILL EXTENDS DOWN SLOPE AS PER SHEET 5.

PURPOSE: PROPOSED CONSTRUCTION OF NEW 400' CONCRETE APRON IN WEST DUMAMISH WATERWAY. PROVIDE ADEQUATE DEPTH FOR MOORAGE AND MOVEMENT OF CONTAINER CARGO SHIPS.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

- ① PORT OF SEATTLE
- ② CITY OF SEATTLE
- ③ PUGET SOUND RESOURCE



Port of Seattle

**P.O. Box 1209
Seattle, Washington
98111**

**PROPOSED CONSTRUCTION OF NEW APRON, DREDGE,
FILL AND STORMWATER OUTFALL**

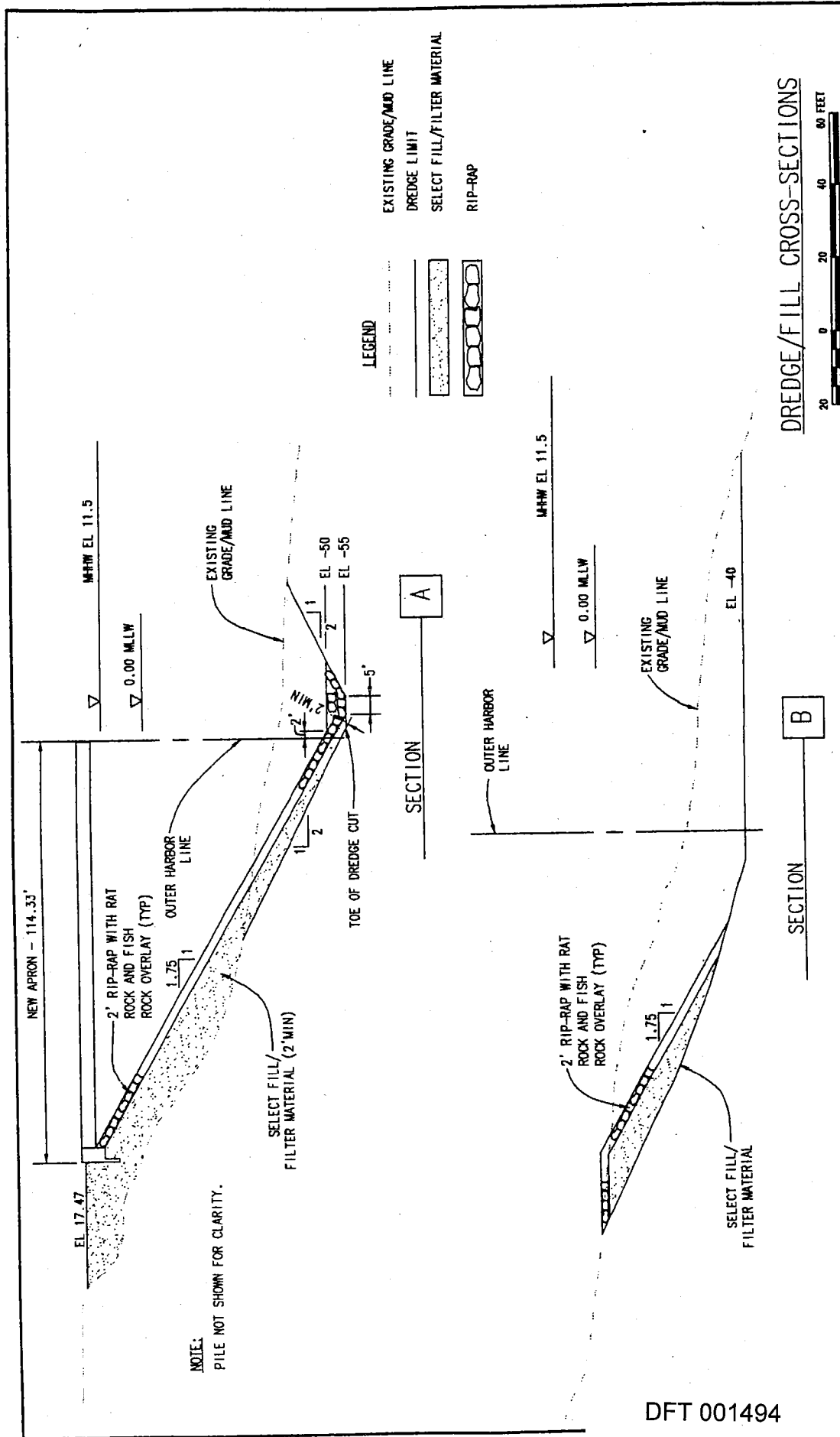
IN: WEST DUMAMISH WATERWAY

AT: PORT OF SEATTLE, TERMINAL 5

COUNTY OF : KING STATE OF : WA

APPLICATION BY : PORT OF SEATTLE

SHEET 5 OF 12 DATE : 4/27/95 REV. 9/20/95



DFT 001494

PURPOSE: PROPOSED CONSTRUCTION OF NEW 400' CONCRETE APRON IN WEST DUWAMISH WATERWAY. PROVIDE ADEQUATE DEPTH FOR MOORAGE AND MOVEMENT OF CONTAINER CARGO SHIPS.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

- ① PORT OF SEATTLE
- ② CITY OF SEATTLE
- ③ PUGET SOUND RESOURCE

95-2-00970



Port of Seattle

**P.O. Box 1209
Seattle, Washington
98111**

PROPOSED CONSTRUCTION OF NEW APRON, DREDGE, FILL AND STORMWATER OUTFALL

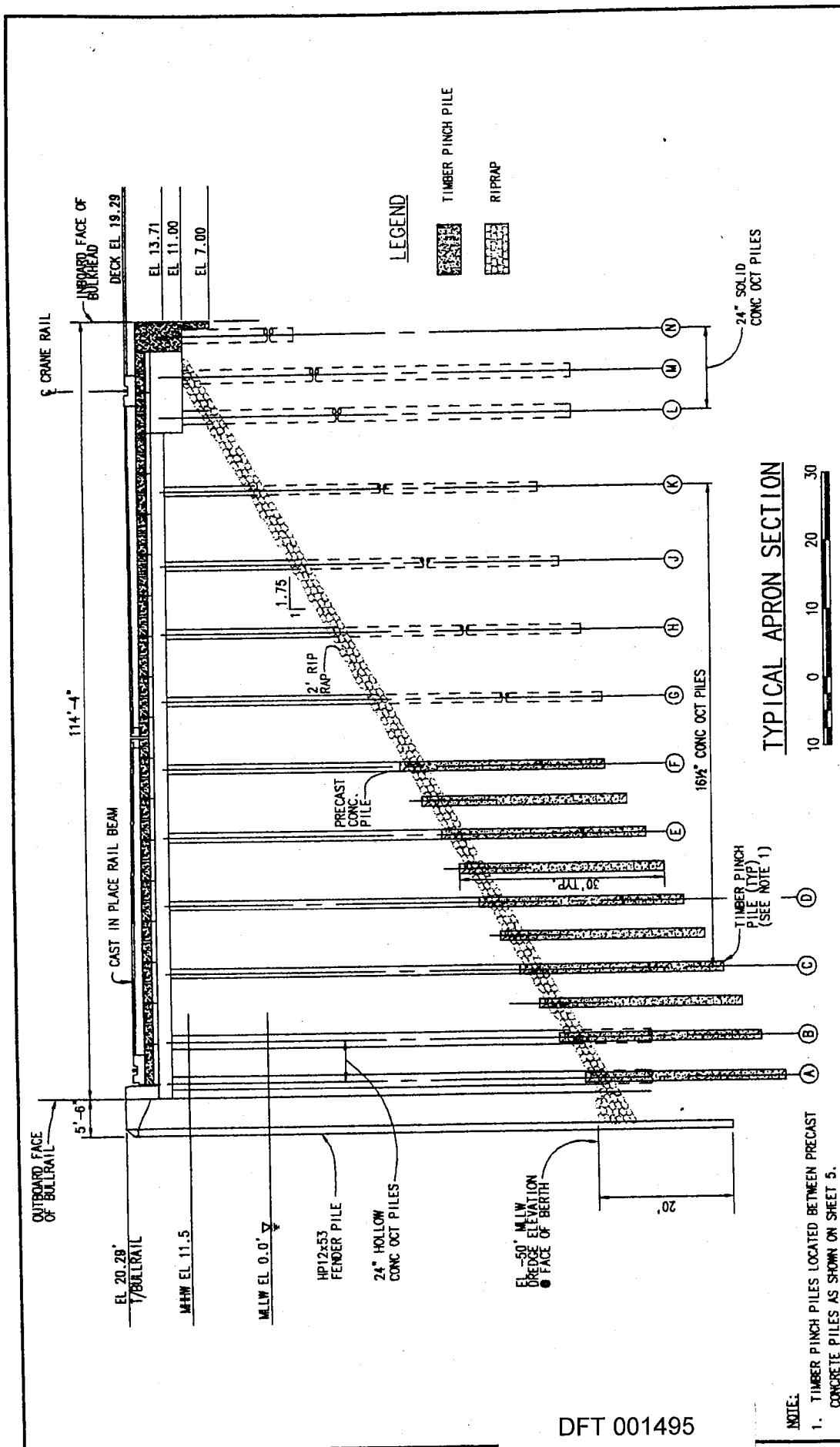
IN: WEST DUWAMISH WATERWAY

AT: PORT OF SEATTLE, TERMINAL 5

COUNTY OF : KING STATE OF : WA

APPLICATION BY : PORT OF SEATTLE

SHEET 6 OF 12 DATE : 4/26/95 REV. 9/20/95



DFT 001495

PROPOSED CONSTRUCTION OF NEW APRON, DREDGE, FILL AND STORMWATER OUTFALL

IN: WEST DUWAMISH WATERWAY

AT: PORT OF SEATTLE, TERMINAL 5

COUNTY OF : KING STATE OF : WA

APPLICATION BY : PORT OF SEATTLE

SHEET 7 OF 12 DATE : 4/28/94

95-2-00970

Port of Seattle

P.O. Box 1209

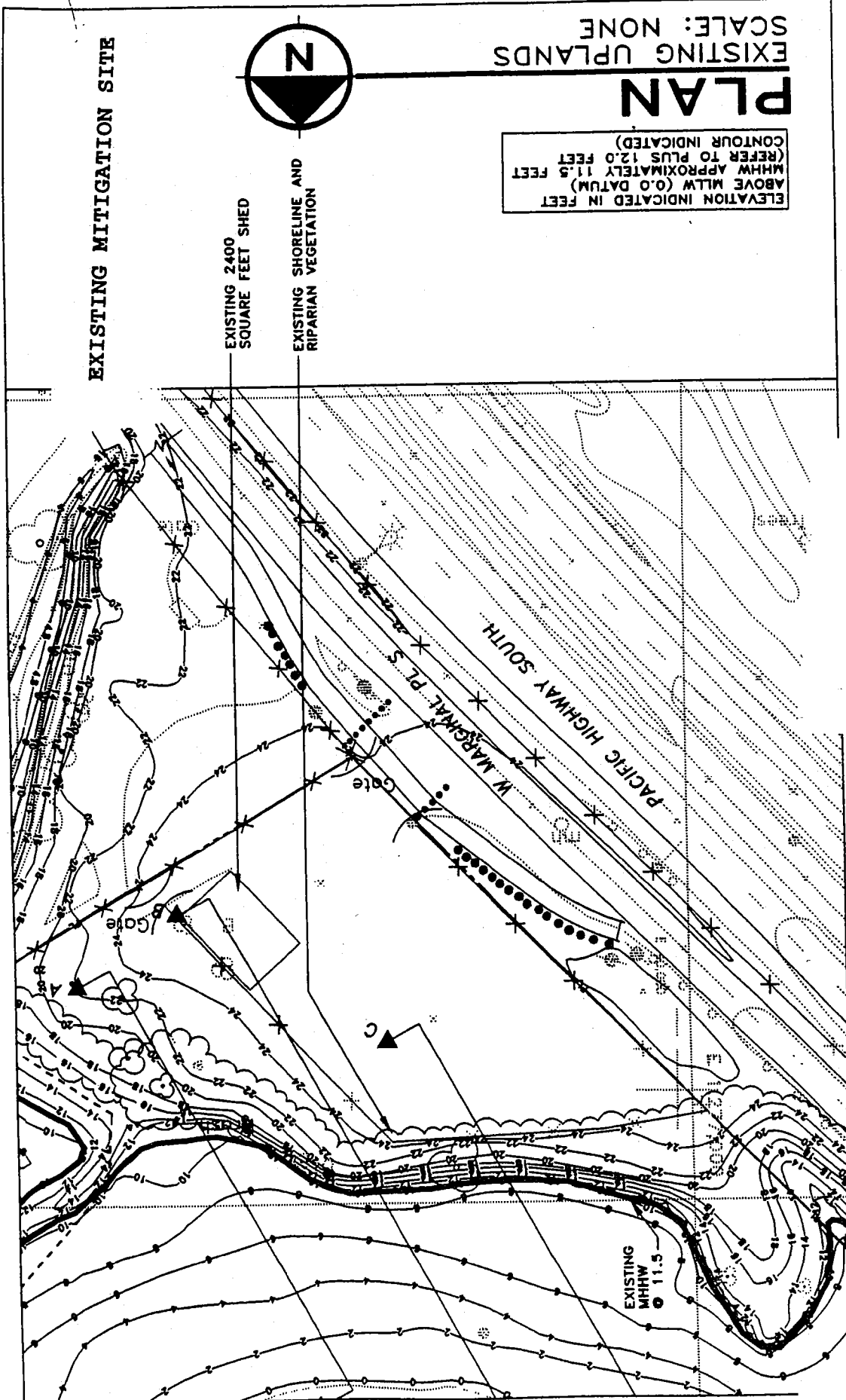
Seattle, Washington 98111

PURPOSE: PROPOSED CONSTRUCTION OF NEW 400' CONCRETE APRON IN WEST DUWAMISH WATERWAY. PROVIDE ADEQUATE DEPTH FOR MOORAGE AND MOVEMENT OF CONTAINER CARGO SHIPS.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

- ① PORT OF SEATTLE
- ② CITY OF SEATTLE
- ③ PUGET SOUND RESOURCE



EXISTING MITIGATION SITE

EXISTING 2400
SQUARE FEET SHED

EXISTING SHORELINE AND
RIPARIAN VEGETATION

PACIFIC HIGHWAY SOUTH

EXISTING
MHHW
@ 11.5

PLAN
EXISTING UPLANDS
SCALE: NONE

ELEVATION INDICATED IN FEET
ABOVE MLLW (0.0 DATUM)
MHHW APPROXIMATELY 11.5 FEET
(REFER TO PLUS 12.0 FEET
CONTOUR INDICATED)

PURPOSE: PROPOSED FISH AND WILDLIFE HABITAT RESTORATION
AREA, TURNING BASIN NUMBER THREE.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

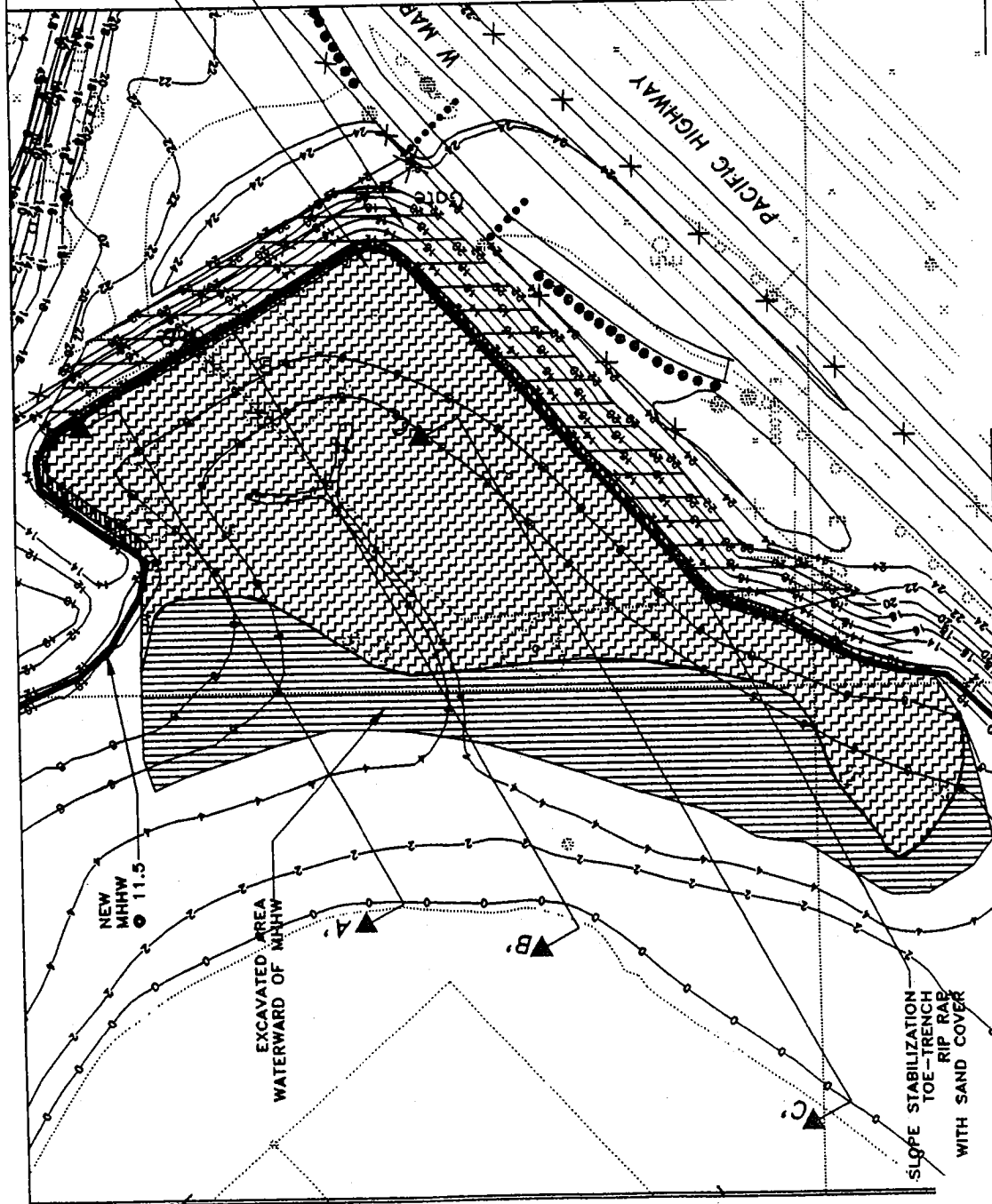
- ① DESMONE TRUST - SEAFIRST BANK
- ② CITY OF SEATTLE
- ③ WASHINGTON DEPARTMENT OF TRANSPORTATION

95-2-00970

Port of Seattle
P.O. Box 1209
Seattle, Washington 98111

PROPOSED EXCAVATION OF EXISTING UPLANDS AND INTERTIDAL
AQUATIC AREA AND CREATION OF NEW INTERTIDAL HABITAT

IN: WEST DUWAMISH WATERWAY
AT: TURNING BASIN NUMBER THREE, RIVER MILE 5.3
COUNTY OF : KING STATE OF : WA
APPLICATION BY : PORT OF SEATTLE
SHEET 8 OF 12 DATE : 6/9/95



PLAN

PROPOSED EXCAVATION

SCALE: NONE

ELEVATION INDICATED IN FEET
ABOVE MLLW (0.0 DATUM)
MHHW APPROXIMATELY 11.5 FEET
(REFER TO PLUS 12.0 FEET
CONTOUR INDICATED)

NEW INTERTIDAL HABITAT AREA
1.2 ACRE

AREA PLANTED WITH
NATIVE RIPARIAN
VEGETATION

EXCAVATED AREA
WATERWARD OF MHHW

SLOPE STABILIZATION
TOE-TRENCH
RIP RAP
WITH SAND COVER

PACIFIC HIGHWAY

PURPOSE: PROPOSED FISH AND WILDLIFE HABITAT RESTORATION
AREA, TURNING BASIN NUMBER THREE.

DATUM: MLLW = 0

ADJACENT PROPERTY OWNERS:

- ① DESMONE TRUST - SEAFIRST BANK
- ② CITY OF SEATTLE
- ③ WASHINGTON DEPARTMENT OF TRANSPORTATION

95-2-00970

Port of Seattle

**P.O. Box 1209
Seattle, Washington
98111**

PROPOSED EXCAVATION OF EXISTING UPLANDS AND INTERTIDAL
AQUATIC AREA AND CREATION OF NEW INTERTIDAL HABITAT

IN: WEST DUWAMISH WATERWAY

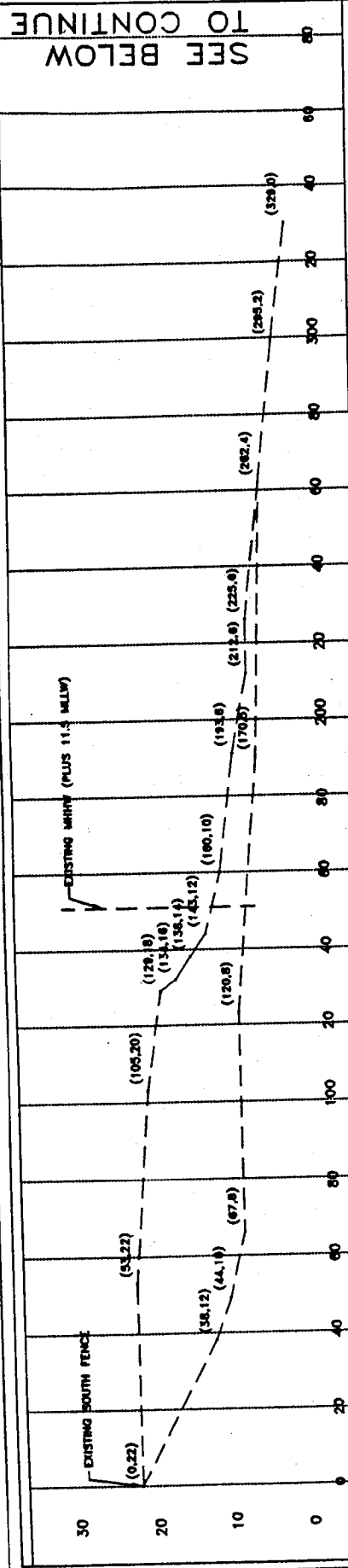
AT: TURNING BASIN NUMBER THREE, RIVER MILE 5.3

COUNTY OF : KING STATE OF : WA

APPLICATION BY : PORT OF SEATTLE

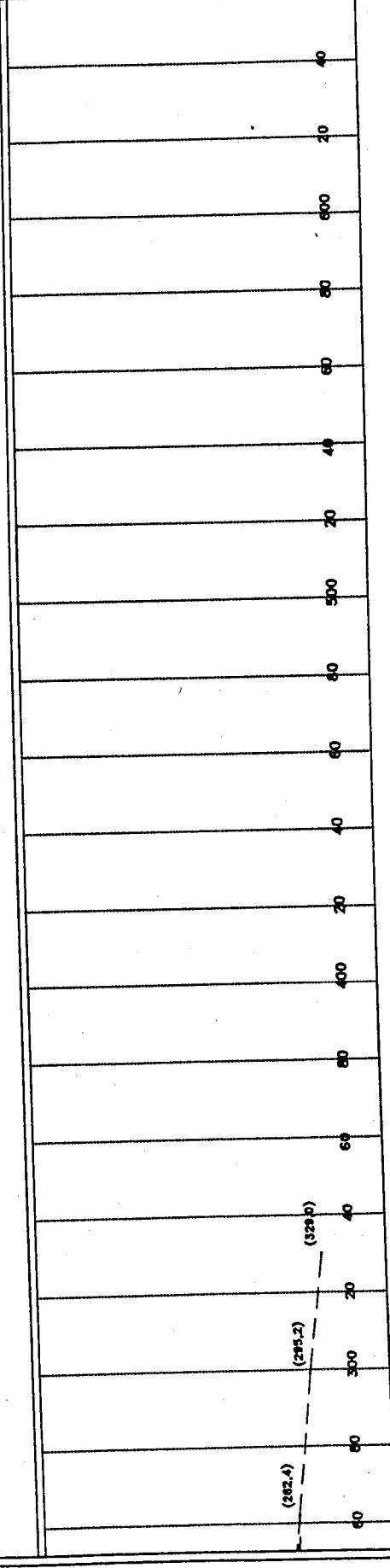
SHEET 9 OF 12 DATE : 6/9/95

DFT 001497



SECTION A-A'
 SCALE: VERTICAL - 1" = 10'
 HORIZONTAL - 1" = 20'

SEE BELOW
 TO CONTINUE



SECTION A-A'
 SCALE: VERTICAL - 1" = 10'
 HORIZONTAL - 1" = 20'

DRAWING IS NOT TO SCALE:

PURPOSE: PROPOSED FISH AND WILDLIFE HABITAT RESTORATION
 AREA, TURNING BASIN NUMBER THREE.

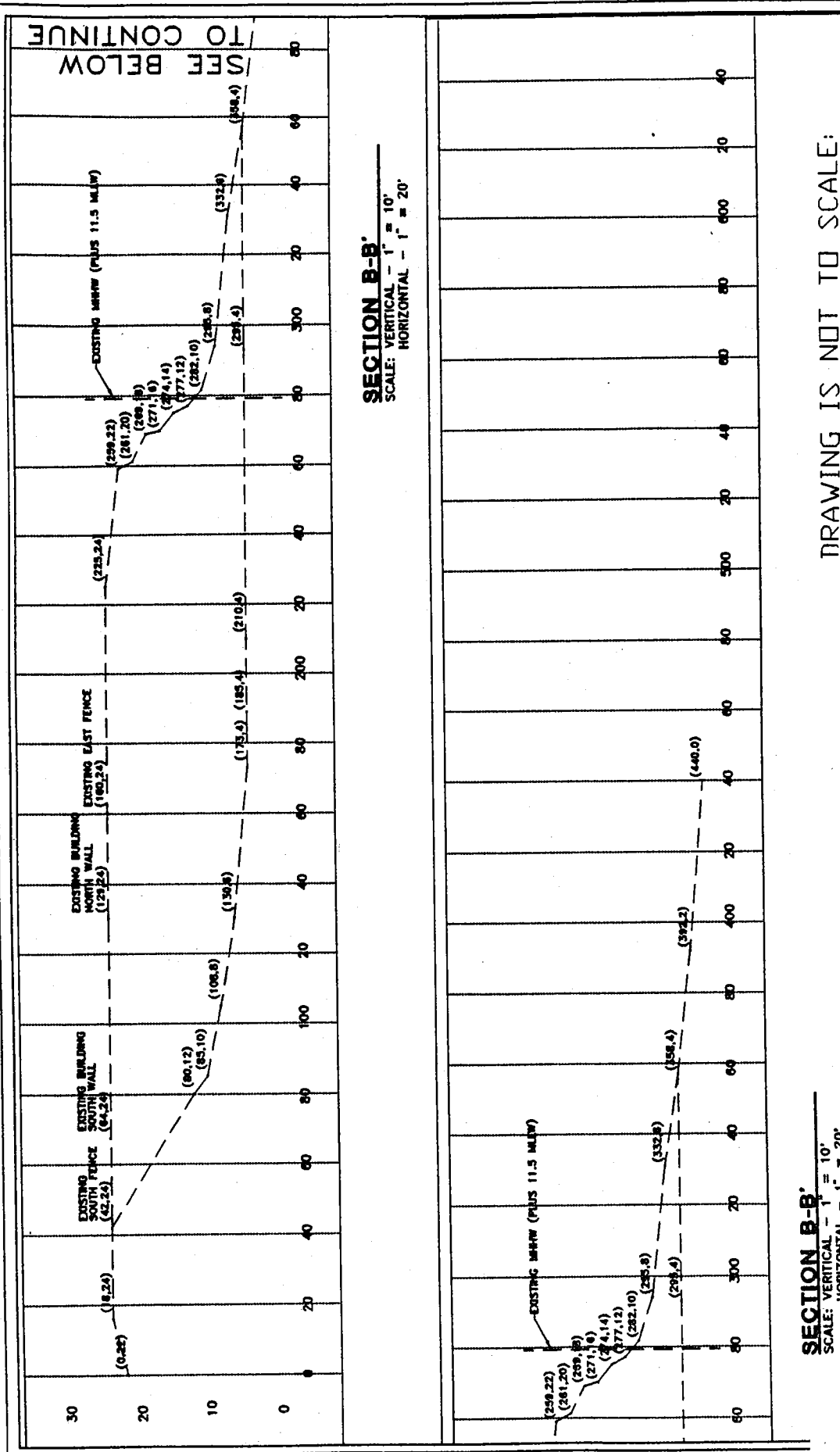
DATUM: MLLW = 0
ADJACENT PROPERTY OWNERS:
 ① DESIMONE TRUST - SEAFIRST BANK
 ② CITY OF SEATTLE
 ③ WASHINGTON DEPARTMENT OF TRANSPORTATION

95-2-00970

Port of Seattle
P.O. Box 1209
Seattle, Washington
98111

**PROPOSED EXCAVATION OF EXISTING UPLANDS AND INTERTIDAL
 AQUATIC AREA AND CREATION OF NEW INTERTIDAL HABITAT**

IN: WEST DUWAMISH WATERWAY
AT: TURNING BASIN NUMBER THREE, RIVER MILE 5.3
COUNTY OF: KING **STATE OF:** WA
APPLICATION BY: PORT OF SEATTLE
SHEET 10 OF 12 **DATE:** 6/9/95



Port of Seattle
P.O. Box 1209
Seattle, Washington 98111

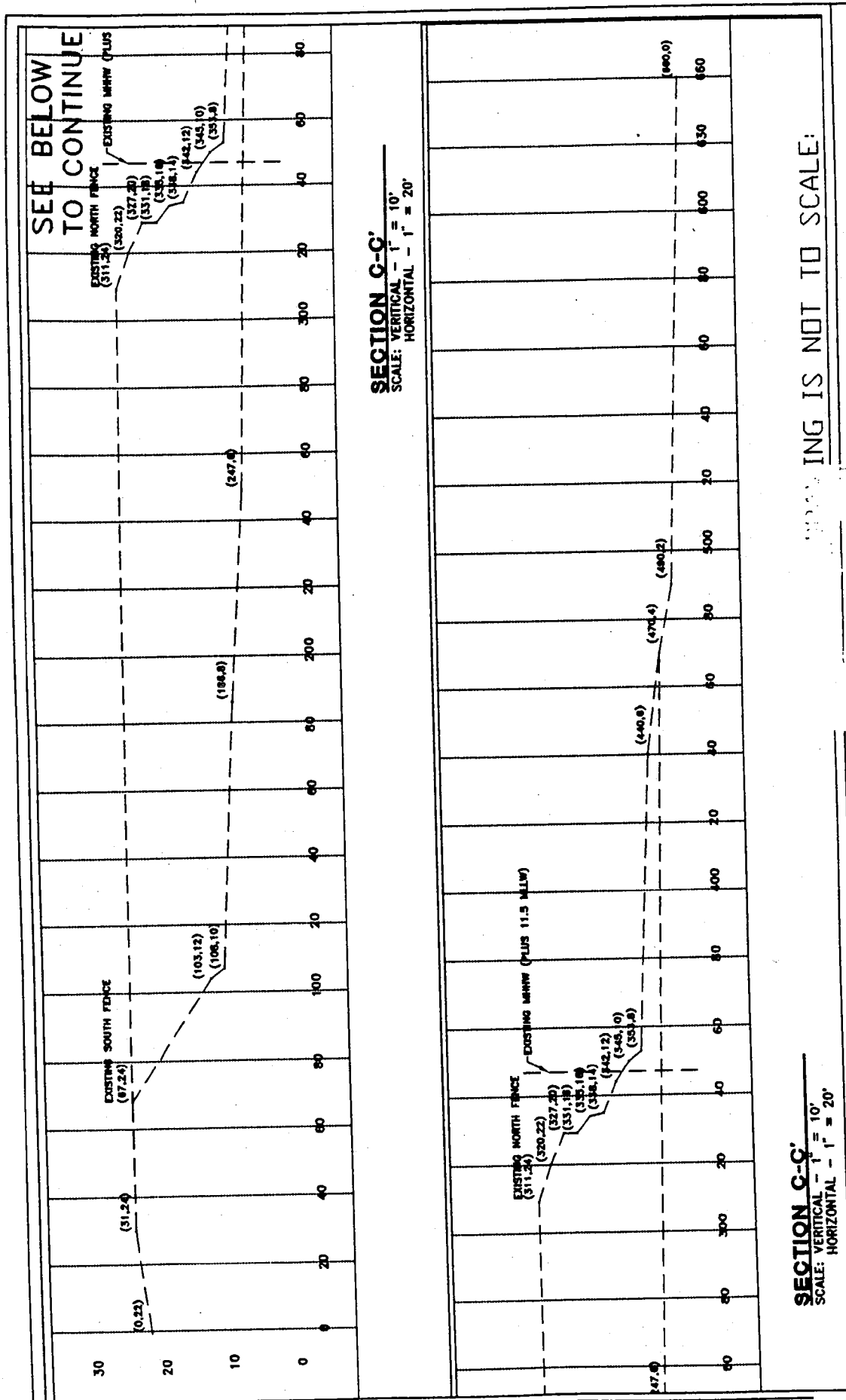
PURPOSE: PROPOSED FISH AND WILDLIFE HABITAT RESTORATION
AREA, TURNING BASIN NUMBER THREE.

DATUM: MLW = 0

ADJACENT PROPERTY OWNERS:
 ① DESMONE TRUST - SEAFIRST BANK
 ② CITY OF SEATTLE
 ③ WASHINGTON DEPARTMENT OF TRANSPORTATION

PROPOSED EXCAVATION OF EXISTING UPLANDS AND INTERTIDAL AQUATIC AREA AND CREATION OF NEW INTERTIDAL HABITAT
IN: WEST DUWAMISH WATERWAY

AT: TURNING BASIN NUMBER THREE, RIVER MILE 5.3
COUNTY OF: KING **STATE OF:** WA
APPLICATION BY: PORT OF SEATTLE
SHEET 11 OF 12 **DATE:** 6/9/95



Port of Seattle
P.O. Box 1209
Seattle, Washington 98111

95-2-00970

PURPOSE: PROPOSED FISH AND WILDLIFE HABITAT RESTORATION
AREA, TURNING BASIN NUMBER THREE.

DATE: MLLW = 0

ADJACENT PROPERTY OWNERS:
① DESMONE TRUST - SEAFIRST BANK
② CITY OF SEATTLE
③ WASHINGTON DEPARTMENT OF TRANSPORTATION

PROPOSED EXCAVATION OF EXISTING UPLANDS AND INTERTIDAL AQUATIC AREA AND CREATION OF NEW INTERTIDAL HABITAT
IN: WEST DUWAMISH WATERWAY
AT: TURNING BASIN NUMBER THREE, RIVER MILE 5.3
COUNTY OF : KING STATE OF : WA
APPLICATION BY : PORT OF SEATTLE
SHEET 12 OF 12 DATE : 6/9/95



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Mail Stop PV-11 • Olympia, Washington 98504-8711 • (206) 459-6000

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Notice of Application for
Water Quality Certification
and for
Certification of Consistency with the
Washington Coastal Zone Management Program

Date: 23 October 1995

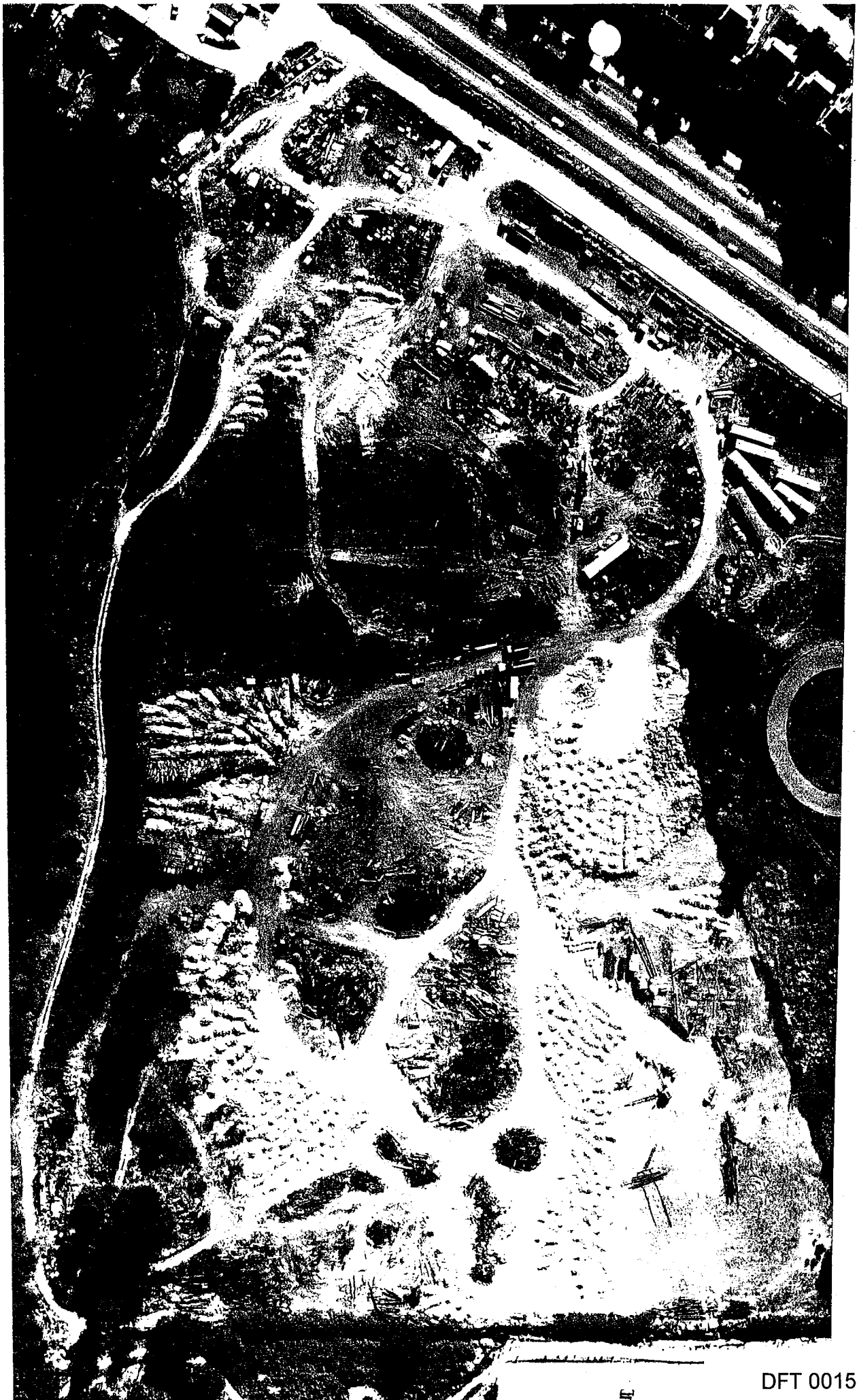
Notice is hereby given that a request has been filed with the Department of Ecology, pursuant to the requirements of Section 401 of the federal Clean Water Act of 1977 (PL 95-217), to certify that the project described in the Corps of Engineers Public Notice No. 95-2-00970 will comply with Sections 301, 302, 303, 306, and 307 of the Act, and with applicable provisions of State and Federal water pollution control laws.

Notice is also given that a request has been filed with the Department of Ecology, pursuant to the requirements of Section 307(c) of the federal Coastal Zone Management Act of 1972 (16 U.S.C. 1451), to certify that the above-referenced project will comply with the Washington State Coastal Zone Management Program and that the project will be conducted in a manner consistent with that Program.

Any person desiring to present views pertaining to the project on either or both (1) compliance with water pollution control laws or (2) the project's compliance or consistency with the Washington State Coastal Zone Management Program may do so by providing written comments within 30 days of the above publication date to:

Permit Coordination Unit
Department of Ecology
P.O. Box 47703
Olympia, WA 98504-7703





DFT 001503

SECURITY AND PARTIAL SETTLEMENT AGREEMENT

THE UNDERSIGNED Atlas Building Wreckers, an Oregon general partnership or sole proprietorship and Atlas Building Wreckers, Inc., a Washington Corporation (hereinafter each and collectively called "Debtor"), by this Security and Partial Settlement Agreement (this "Security Agreement") hereby grant and assign to PACCAR Inc, a Delaware Corporation (hereinafter called "Secured Party"), a security interest in the following described property and all products and proceeds thereof, and all like property hereinafter acquired by Debtor:

(a) Accounts, Other Rights to Payment and Contract Rights. All Debtor's right, title and interest, now owned or hereafter acquired, of whatever nature and however evidenced, to receive the payment of money or other considerations, including, but not limited to, all such rights that arise from the sale, lease, exchange or other disposition of inventory or the furnishing of services, and including without limitation (i) all accounts, (ii) all rights arising under contracts, (iii) all chattel paper, (iv) all general intangibles evidencing or comprising a right to receive payment and claims respecting eminent domain or taking in lieu or under threat thereof, (v) all documents of title, receipts, drafts, checks, acceptances, bonds, notes, or other negotiable and nonnegotiable instruments, documents, bills of exchange, securities, deposits, certificates of deposit or other writings evidencing or comprising a monetary obligation. Such collateral is hereinafter referred to as "Account Collateral."

(b) Inventory. All of Debtor's right, title and interest, now owned or hereafter acquired, in inventory and stock in trade, including raw materials, work in progress, materials used or consumed in Debtor's business, all products of Debtor, finished goods, returned goods and goods traded in, together with all increases in said property, and including without limitation, used brick and building materials, demolition spoils, lumber and wood, metal scrap, machinery and equipment and all other new or used personal property and salvage, currently located at the following primary locations:

- 1) Debtor's Seattle salvage yard (the "Seattle Property") at 10900 - 27th Avenue South, King County, Washington and legally described in Exhibit A attached hereto and herein incorporated by this reference (both as formerly subleased from Secured Party under Sublease dated March 1, 1979 and the premises currently occupied by Debtor under Revocable License Agreement with Secured Party dated the date hereof).
- 2) Debtor's leased salvage Yard (the "Portland Property") at 6200 NW St. Helens Drive, Portland, Multnomah County,

Oregon and legally described in Exhibit B attached hereto and herein incorporated by this reference.

Said collateral is hereinafter referred to as "Inventory."

The Account Collateral and Inventory are herein collectively referred to as the "Collateral."

This Security Agreement is given to secure the payment and performance of all indebtedness and obligations of Debtor to Secured Party presently existing and hereafter arising, direct or indirect and however modified, extended or renewed, and interest thereon, including, without limitation, the following:

(a) Payment and performance of all indebtedness and obligations of Debtor to Secured Party arising under or by reason of (i) that certain expired sublease (the "Sublease") dated March 1, 1979 between Debtor and Secured Party of real property located in King County, Washington legally described in Exhibit C attached hereto and herein incorporated by this reference; and (ii) encroachment and trespass by Debtor upon, and use and damage to, certain real property legally described in Exhibit C attached hereto and herein incorporated by this reference and leased by Secured Party from Assunta Desimone et al. under prime lease (the "Prime Lease") dated March 22, 1977 and recorded under filing number 7704010233, records of King County, Washington; and (iii) that certain Revocable License Agreement ("Revocable License Agreement") dated the date hereof between Debtor and Secured Party.

Said indebtedness and obligations include, without limitation, the following:

(i) Current indebtedness of Debtor to Secured Party, as follows:

- (1) current indebtedness in the amount of \$100,815 as agreed compensation for Debtor's said unauthorized use and encroachment from the date of commencement thereof to the date hereof; and
- (2) Attorney's fees and engineering consultant fees incurred by Secured Party to February 28, 1986 by reason of said encroachment and Debtor's defaults under said Sublease in the amount of \$11,413.02; and
- (3) \$89,500 minimum costs of removal of building demolition rubble (masonry, concrete, brick and stone), wood and wood salvage now deposited on the Seattle Property to a lawful site for disposal or reuse.

which indebtedness is hereby and in the Revocable License Agreement expressly acknowledged by Debtor to be unconditionally due and payable to Secured Party at the date hereof, together with interest from the date hereof on amounts remaining unpaid at the rate of 12%

per annum until such indebtedness is paid in full; and

(b) The amount of all other present and future claims of Secured Party against Debtor, including, without limitation, the following: damages or injury to the Sublease premises and encroachment area and costs of restoration thereof to the condition thereof required upon surrender of the leased premises under the Sublease or surrender of the premises by Secured Party under the Prime Lease; loss, expense, liability and claims of any third person, including the prime lessors, and attorneys fees incurred by Secured Party, in connection with remediation of Debtor's defaults and breaches, unauthorized use of the encroachment area and violations of any laws, whether pursuant to said Sublease, Prime Lease, Revocable License Agreement or otherwise; and any unpaid indemnities of Debtor to Secured Party under the Sublease or the Revocable License Agreement, all of which amounts remain unliquidated on the date of this Security Agreement and are not yet possible of ascertainment.

In addition, this Security Agreement has been granted by Debtor to Secured Party as partial consideration for the Revocable License Agreement and any forbearance by Secured Party in deferring action or suit upon the indebtedness and claims therein and herein described.

Regardless of the adequacy of any security which the Secured Party may at any time hold hereunder, and regardless of the adequacy of any other security which Secured Party may obtain at any of its offices from Debtor in connection with any other transactions, any deposits or other moneys owing from Secured Party to Debtor shall (as Collateral in the possession of Secured Party) constitute additional security for, and may be set off against, obligations secured hereby.

DEBTOR HEREBY REPRESENTS, COVENANTS AND AGREES WITH SECURED PARTY AS FOLLOWS:

1. Title to Collateral and Performance.

- (a) Debtor warrants its title to the Collateral to be free from prior security interests of any kind and not subject to any other security agreement, except only those security interests, if any, of record on the date hereof in the State of Washington and the State of Oregon and set forth on Exhibit D attached hereto and herein incorporated by this reference.
- (b) Debtor covenants that there are no offsets or defenses to the Account Collateral which can be asserted by obligors thereunder, whether by way of defense or counterclaim against the Secured Party or the Debtor.
- (c) Debtor agrees to perform promptly all its obligations required by any Account Collateral, including but not

limited to the performance of any Debtor warranties arising from the transaction which created any Account Collateral.

- (d) The Inventory covered hereby is and will be at all times Inventory of the Debtor.
- (e) Debtor will not create nor permit the existence of any new lien or security interest on the Collateral, other than that created hereby, without the written consent of Secured Party. Any document of title now or hereafter existing on any of the Collateral will be delivered to Secured Party and will recite the security interest of Secured Party.

2. Taxes.

Debtor agrees to pay before delinquency any tax or other governmental charge which is or can become through assessment or distraint or otherwise a lien on the Collateral and to pay any tax which may be levied on any obligation secured hereby.

3. Notices to Account Debtors.

Secured Party upon an Event of Default is authorized to notify the account debtors and to effect direct collection of the Account Collateral. At the request of Secured Party, Debtor agrees to enter into appropriate notices to the account debtors. Debtor hereby designates and appoints Secured Party, its successors and assigns, its true and lawful agent and attorney in fact, with irrevocable power, for Debtor and in Debtor's name, place and stead, to ask, demand, receive, receipt and give acquittance for any and all amounts which may be or become due from any other party in connection with any such accounts and, at its sole option, to file any claim or take any action or proceeding, either in its name or in the name of the Debtor or otherwise, which Secured Party deems necessary or desirable in order to collect or enforce payment of any and all accounts.

4. Mailing Address, Residence and Chief Place of Business of Debtor.

Debtor states that the mailing address of the Debtor recited in this agreement is and will remain the Debtor's residence and chief place of business and the place at which it keeps its records concerning the Account Collateral and proceeds thereof, constituting the security under this Agreement, unless Secured Party consents in writing to a change. Without the prior written consent of Secured Party, Debtor will not remove any of the Collateral (unless as a result of sale thereof from the Seattle Property or the Portland Property) from King County, Washington or Multnomah County, Oregon.

5. Use of Property.

Debtor agrees to comply with any governmental regulation affecting the storage and use of the Collateral and will not use nor permit the use of the Collateral in any unlawful manner. Debtor represents and agrees that the primary use of said Inventory Collateral is for use and consumption in its business of recycling of used building materials for sale.

6. Repairs and Inspection.

Debtor will keep the Collateral in good repair. Secured Party may inspect the Collateral at reasonable times and intervals and may for this purpose enter any premises upon which the Collateral is located.

7. Insurance.

In the event of loss, Secured Party shall have full power to collect any and all insurance upon the Collateral and to apply the same at its option to any obligation secured hereby, whether or not matured, or to the restoration or repair of the Collateral. Secured Party shall have no liability whatsoever for any loss that may occur by reason of the omission or lack of coverage of any such insurance.

8. Collections and Accounting.

- (a) Debtor agrees not to sell or collect any part of the Account Collateral save as provided in this Agreement or on prior written consent of the Secured Party.
- (b) Until contrary notice is given by Secured Party upon an Event of Default, the Debtor is specifically authorized to enforce and collect the Account Collateral, at Debtor's expense, and as shall be commercially reasonable to accept the return of goods and to reclaim, withhold or repossess goods as an unpaid seller. In collecting, holding or remitting the proceeds of such collections, the Debtor shall have no right to utilize the collections in any way other than pursuant to the terms and conditions of this Security Agreement.
- (c) Debtor agrees to collect the Account Collateral assigned hereby, at Debtor's expense, with due diligence until such time as Debtor's authority to collect is terminated pursuant to this Agreement and to account to the Secured Party, at such intervals as Secured Party may direct and in any event not less frequently than weekly, for the proceeds of these collections.
- (d) Upon notification by the Secured Party to the Debtor to cease collecting on the Account Collateral, Secured Party may notify account debtors of Debtor pursuant to

Section 3 above and proceed to collect said accounts in a commercially reasonable manner and may deduct from the proceeds its reasonable expenses of collection; Secured Party is authorized to receive in full satisfaction of account debtor's obligation a sum less than the face amount thereof.

- (e) Any payment made by Debtor or any sum received by the Secured Party through the realization and collection of the Account Collateral may be applied as Secured Party shall elect to any obligation secured by this Security Agreement, whether matured or not matured and whether liquidated or unliquidated.
- (f) Debtor agrees to hold Secured Party harmless from all claims for loss or damage caused by any failure to collect any account or enforce any contract or by any act or omission on the part of the Secured Party, its agents and employees, except only willful misconduct.
- (g) Debtor may sell and dispose of Inventory in the ordinary course of business, whether now owned or hereafter acquired, so long as the terms and conditions of this Security Agreement are kept and performed by Debtor, including the following which Debtor agrees to perform except as otherwise agreed in writing by Secured Party;
 - (1) All sales shall be for cash or upon credit for a term not exceeding thirty (30) days; and
 - (2) All cash proceeds shall be deposited into the security account provided by paragraph 9(j) hereof.
- (h) After any Event of Default, all Debtor's negotiable instruments and chattel paper shall immediately be endorsed and delivered to Secured Party, with full authority to collect.
- (i) Debtor covenants to deliver to Secured Party copies of all invoices and records of collection or aging or otherwise thereof in such form and frequency as Secured Party may require.
- (j) (i) From and after the date of this Agreement, Debtor shall deposit in a non-interest bearing security account with PACCAR's attorneys, Karr, Tuttle, Koch, Campbell, Mawer, Morrow & Sax, 411 - 108th Avenue N.E., Suite 1030, Bellevue, Washington 98004, a portion of the proceeds derived from the sale of Inventory from the Seattle Property, as follows:

- (1) \$0.03 for each brick sold;

(2) \$0.25 for each cubic yard of concrete sold plus 50% of the excess of the selling price of the concrete over \$3.75 per cubic yard;

(3) 20% of the selling price of all wood and wood products; and

(4) 15% of the selling price of all scrap iron, metal, and all other items of Inventory.

(ii) On Monday of each week, Debtor shall deliver to said attorneys for PACCAR the following:

(1) An accounting of all sales of Inventory for the previous week; and

(2) A check made payable to PACCAR's attorneys for deposit in such security account for the amount required to be paid for such week, calculated on the basis as provided in paragraph 8(j)(i) hereof.

(iii) PACCAR's attorneys are authorized to distribute amounts from the security account as follows and in the following order of priority of payment:

(1) All amounts required for payment of dump fees for wood and wood products from the Seattle yard that are not sold by Debtor by January 31, 1987; then

(2) Payment to PACCAR of all amounts incurred by PACCAR for attorney's fees and out-of-pocket costs incurred as reflected in paragraph 10(b) of the Revocable License Agreement, together with such attorney's fees and costs and expenses incurred by PACCAR from and after March 1, 1986 which are related to, are in connection with, or arise out of remediation of Debtor's defaults or breaches of the Sublease, Debtor's unauthorized use of the Encroachment Area, or enforcement of PACCAR's rights under the Revocable License Agreement or this Agreement; then,

(3) To the payment for correction of any uncured defaults of Atlas under the Revocable License Agreement or this Agreement; and then

(4) The balance to Debtor upon expiration of the Revocable License Agreement with no defaults remaining uncured thereunder.

(iv) PACCAR's attorneys shall give Atlas three (3) days written notice of any proposed distribution from the security account. Failure of Atlas to give notice, in

writing, within said three (3) day period of any such objection to such distribution shall be deemed to be conclusive approval of the amount of such distribution and the payee thereof.

(v) In the event of any objection to distribution, whether as to payee or amount, PACCAR's attorneys may interplead any such disputed amounts into the registry of the Superior Court for King County, Washington.

(vi) The security account herein above referred to and the maintenance and application thereof by PACCAR's said attorneys shall not constitute a true escrow or create any fiduciary relationships of such attorneys or of PACCAR to Atlas.

9. Accounting and Inspection of Books.

- (a) Debtor agrees to maintain full and accurate books of account covering the Collateral and to deliver to Secured Party such books as relate to the Collateral hereunder if so requested by Secured Party after or in connection with the termination of Debtor's authority to collect as herein provided. Debtor also agrees to deliver promptly to Secured Party, and without further request, copies of each financial statement of Debtor prepared by or for Debtor.
- (b) Debtor agrees to deliver to Secured Party on demand, or upon the termination by Secured Party of the Debtor's authority to collect the Account Collateral, all of the papers in Debtor's possession relating to the Collateral covered by this Agreement which will facilitate collection or enforcement thereof by Secured Party, including but not limited to, correspondence, invoices, shipping documents, and records, sales slips, orders and order acknowledgments, contracts and all other instruments relating thereto.
- (c) Secured Party or its authorized agents shall at all reasonable times have free access to Debtor's ledgers, books of account and other written records evidencing the Collateral, and such agent or agents shall at all reasonable times have the right to be present at Debtor's places of business to receive all communications and remittances relating to said Collateral.

10. Additional Security; Financing Statements.

- (a) Debtor hereby grants to Secured Party, as additional Collateral for the obligations secured hereunder,
 - (1) Any and all amounts at any time credited by or due from Secured Party to Debtor, as additional security

for the indebtedness and obligations hereby secured, such to be subject to offset by Secured Party against any then matured indebtedness of Debtor;

- (2) Any and all cash or other property, including without limitation instruments, documents, policies and certificates of insurance, securities, goods, accounts, choses in action, chattel paper, contract rights, general intangibles, rents and the proceeds of any of such property (whether or not the same are Collateral as defined herein) owned by Debtor or in which Debtor has an interest, which now or at any time hereafter are in the possession or control of Secured Party or in the possession of any person acting for Secured Party, regardless of whether Secured Party received the same in pledge, for safekeeping, as agent for collection or transmission, or otherwise, and whether Secured Party has conditionally released the same; and
- (3) Any right of action which Debtor has against persons who guarantee payment or collection of any Account Collateral, contract or other Collateral covered by this Agreement and any sums received pursuant to such rights.

- (b) Debtor agrees from time to time and at Debtor's expense to execute and deliver to Secured Party for recordation such financing statements, continuation statements, amendments, termination statements, applications for registration and other documents evidencing the security interests created hereby as Secured Party may request.

11. Expenses Incurred by Secured Party.

Secured Party is not required to, but may at its option, pay any tax, assessment, insurance premium, expense, repair or other charges payable by Debtor, and any filing or recording fees, and any amount so paid, together with interest thereon at the maximum rate permitted by law (or if no maximum rate exists, at the rate of 12% per annum) from date of payment until repaid shall be secured hereby and shall be repayable by Debtor on demand. The rights granted by this paragraph are not a waiver of any other rights of Secured Party arising from breach of any of the covenants hereof by Debtor.

12. Waivers.

This Security Agreement shall not be qualified or supplemented by course of dealing. No waiver or modification by Secured Party of any of the terms or conditions hereof shall be effective unless in writing signed by Secured Party. No waiver or indulgence by Secured Party as to any required performance by Debtor shall constitute a waiver as to any

subsequent required performance or other obligations of Debtor hereunder. Debtor hereby waives any counter claims or defense hereunder against any assignee for value of any Collateral.

No action or failure to act of Secured Party under this Security Agreement shall imply any waiver of or modify any right of Secured Party under the Revocable License Agreement or Irrevocable Special Power of Attorney Coupled with an Interest executed by Debtor in favor of Secured Party respecting the Collateral and the other matters contained therein, all rights of Secured Party thereunder being independent of and separate from the rights and remedies afforded Secured Party by this Security Agreement.

Debtor hereby waives demand, notice, protest, notice of acceptance of this Security Agreement, notice of credit extended or other action taken in reliance hereon and all demands and notices of any description. Debtor waives any failure of Secured Party to take, perfect or keep perfected any security interest.

13. Default.

Time is the essence in this Security Agreement, and in any of the following events, hereinafter called "Events of Default," to-wit:

- (a) Any failure of Debtor to pay when due the full amount of any payment of principal, interest, taxes, insurance premiums or other sums and charges which are or may be secured hereby; or
- (b) Any failure of Debtor to perform as required by any covenant or agreement contained herein or in any obligation or agreement secured hereby (including, without limitation, the Revocable License Agreement); or
- (c) The falsity of any representation by Debtor herein or in any financial statement given by Debtor to Secured Party as a basis for Secured Party's dealings with Debtor; or
- (d) If any Collateral having a value in excess of \$1,000 should be seized or levied upon under any legal or governmental process against Debtor or against the Collateral; or
- (e) If Debtor becomes insolvent or is the subject of a petition in bankruptcy, either voluntary or involuntary, or in any other proceeding under the federal bankruptcy laws; or makes an assignment for the benefit of creditors; or if Debtor is named in or the Collateral is subjected to a suit for the appointment of a receiver; or

- (f) The Account Collateral or proceeds thereof, for any reason whatsoever, become uncollectable in material part or in their entirety; or
- (g) Entry of any judgment in excess of \$10,000 against Debtor; or
- (h) Dissolution or liquidation of Debtor; or
- (i) Larry Lowe shall have ceased to be, or cease to actively perform the duties of, President of Atlas Building Wreckers, Inc. and Atlas fails to promptly name a competent replacement, or if said replacement fails to diligently and actively pursue fulfillment of all obligations of Atlas under this Agreement and the Revocable License Agreement; or
- (j) The Secured Party in good faith deems itself insecure;

then and in any of such Events of Default, the entire amount of indebtedness secured hereby shall then or at any time thereafter at the option of Secured Party, become immediately due and payable without notice or demand, and Secured Party shall have an immediate right to pursue the remedies provided herein.

14. Remedies.

In the event of a default hereunder, Secured Party shall have, in addition to all remedies provided by law or in equity and without limiting the generality of the foregoing, the following remedies:

- (a) To make notification as provided by this Agreement and pursue collection or, at Secured Party's option, to sell all or part of said Account Collateral and make application of all proceeds or sums due on said Account Collateral as provided for in this Agreement; and
- (b) Secured Party is authorized to enter any premises where the Collateral is situated and take possession of said Collateral without notice or demand and without legal proceedings, and Debtor agrees to put Secured Party in possession of any Collateral on demand; and
- (c) At the request of Secured Party, Debtor will assemble the Collateral and make it available to Secured Party at a place designated by Secured Party which is reasonably convenient to both parties; and
- (d) Debtor agrees that a period of ten (10) days from the time of notice is sent, by first class mail or otherwise, shall be a reasonable period of notification of a sale or other disposition of any Collateral; and

- (e) Debtor agrees that any notice or other communication by Secured Party to Debtor shall be sent to the mailing address of the Debtor stated herein; and
- (f) Debtor agrees to pay on demand the amount of all expenses reasonably incurred by Secured Party in protecting or realizing on the Collateral. In the event that this Security Agreement or any obligation secured by it is referred to an attorney for protecting or defending the priority of Secured Party's interest or for collection or realization procedures, Debtor agrees to pay a reasonable attorney's fee, including fees incurred in both trial and appellate courts, or fees incurred without suit, and expenses of title search and all court costs and costs of public officials. The sums agreed to be paid in this subparagraph shall be secured hereby; and
- (g) If Secured Party disposes of the Collateral, Debtor agrees to pay any deficiency remaining after application of the net proceeds to any indebtedness secured hereby.

15. Debtor Obligations Joint and Several

Each Debtor executing this Security Agreement warrants that its execution hereof has been fully authorized by all necessary corporate and other legal action and that such Debtor is accordingly fully bound hereby.

The indebtedness and obligations of each Debtor hereunder are agreed and acknowledged by each Debtor to be both joint and several. Failure of either Debtor to sign this Security Agreement shall not limit or modify the obligations of any such Debtor executing this Security Agreement or release either Debtor from any obligation arising under the herein described Sublease, nor release any surety or insurer of either Debtor.

16. Notices. Any notice, consent, request or other communication provided for in this Agreement shall be in writing, and such notice, consent, request or other communication shall be sent by personal delivery or U.S. certified mail, return receipt requested, to Atlas at:

Atlas Building Wreckers, Inc.
10900 - 27th Avenue South
Seattle, WA 98168
(206) 246-6336, 246-6170

Atlas Building Wreckers
2035 North Willamette Boulevard
Portland, Oregon 97217

and copy to:

Atlas Building Wreckers, Inc.
P.O. Box 17449
Portland, OR 98217
(503) 242-9060

and to PACCAR at:

PACCAR Inc
P.O. Box 1518
Bellevue, Washington 98009
Attn: P. E. Gladfelter
(206) 455-7544

and copy to:

T. P. Lukens, Esq.
Karr, Tuttle, Koch, Campbell, Mawer, Morrow & Sax
One Bellevue Center, Suite 1030
411 - 108th Avenue N.E.
Bellevue, WA 98004
(206) 451-8433

Except as expressly provided herein to the contrary, notices are deemed given upon personal delivery, if delivered, or by three (3) days following deposit in the U.S. mail, if mailed.

17. Change in Name

Debtor agrees that if its business name is ever changed or if Debtor otherwise substantially changes the identity of its business organization, Debtor will immediately give written notice to Secured Party of such change.

18. Release of Collateral

Debtor acknowledges that Secured Party is taking a security interest in the Collateral for Secured Party's sole benefit and Secured Party shall have the absolute right, in its sole discretion, to release any items of Collateral at any time without affecting or diminishing the liability of Debtor to Secured Party for any remaining or future indebtedness. Secured Party shall also have the right, in its sole discretion, to release, settle or compromise the liability of any guarantor of Debtor's indebtedness to Secured Party without affecting or diminishing the liability of Debtor to Secured Party for all remaining or future indebtedness.

19. Construction

This Agreement shall be governed by the laws of the State of Washington and the venue for any action taken hereunder shall be in a court of competent jurisdiction in King County, Washington, unless otherwise required by law.

20. Counterparts

This Agreement may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all the parties so long as each party bound hereby shall have executed and delivered one counterpart hereof.

Signed this 12th day of ~~April~~^{MAY}, 1986.

DEBTOR

Mailing Address of Debtor

2035 N. Willamette Blvd.
Portland, Oregon 97217

Atlas Building Wreckers, an
Oregon Partnership or
Sole Proprietorship

By _____
General Partner (if partnership)
Proprietor (if proprietorship)

10900 - 27th Avenue South
Seattle, (King County) WA 98168

Atlas Building Wreckers, Inc.

By *[Signature]*
Its President

or
6200 NW St. Helens Drive
Portland, (Multnomah County) OR 97210

(Seal)

Attest: _____
Secretary

ACCEPTED.

PACCAR Inc, SECURED PARTY

By *[Signature]*
Its SENIOR VICE PRESIDENT

- Exhibits - A - Seattle Property description
B - Portland Property description
C - Sublease premises and encroachment area description
D - Description of prior security interests of record

EXHIBIT A

Seattle Property Description

That portion of Government Lot 11, Section 4, Township 23 North, Range 5 East, W.M. in King County, Washington, being more particularly described as follows:

Commencing at the Southwest corner of said Government Lot 11; thence South $89^{\circ} 18' 52''$ East along the South line of said Government Lot 11 a distance of 988.40 feet; thence North $14^{\circ} 42' 37''$ west a distance of 477.12 feet to an intersection of the North line of the South 460.00 feet of said Government Lot 11 with the northeasterly Right of Way line of Primary State Highway No. 1, as established by King County Superior Court Cause No. 529021, said point of intersection being the True Point of Beginning; thence continuing North $14^{\circ} 42' 37''$ west along said northeasterly Right of Way Margin a distance of 692.88 feet to the southwesterly Right of Way Margin of City of Seattle's transmission line as established by ordinance No. 82986, of the City of Seattle; thence North $15^{\circ} 58' 00''$ west a distance of 330.17 feet to the northwesterly Right of Way Margin of City of Seattle's transmission line; thence North $2^{\circ} 38' 25''$ west a distance of 182.94 feet; thence South $40^{\circ} 21' 36''$ east a distance of 175 feet; thence South $56^{\circ} 14' 07''$ east a distance of 220 feet, more or less, to an intersection with the South Line of Government Lot 7; thence east along the South line of Government Lot 7 for a distance of 210 feet, more or less; thence North $27^{\circ} 03' 34''$ east a distance of 725 feet, more or less to an intersection with the northeasterly boundary of the proposed extension of the Duwamish Waterway; thence South $41^{\circ} 52' 31''$ east a distance of 899.10 feet to the northwesterly bank of the Duwamish River then southwesterly along said northwesterly bank a distance of 1493.0 feet, more or less, to the north line of the South 460 feet of said Government Lot 11, thence North $89^{\circ} 18' 52''$ west along said North line of the South 460 feet of Government Lot 11 a distance of 194 feet, more or less to the True Point of Beginning.

Except the strip of land for City of Seattle transmission line as established by ordinance No. 82986 of the City of Seattle.

Comprising an area of 19.98 acres, more or less.

EXHIBIT B

Portland Property Description

That certain leased real property having a street address of 6200 N.W. St. Helens Drive, Portland, Oregon 97210, and designated as Tax Lot 31, Section 13, 1N, 1W, Multnomah County, Oregon (Account No. R-96113-0310).

EXHIBIT C

Description of Sublease Premises and Encroachment Area

That portion of Government Lot 11, Section 4, Township 23 North, Range 5 East, W.M. in King County, Washington, being more particularly described as follows:

Commencing at the Southwest corner of said Government Lot 11; thence South $89^{\circ} 18' 52''$ East along the South line of said Government Lot 11 a distance of 988.40 feet; thence North $14^{\circ} 42' 37''$ west a distance of 477.12 feet to an intersection of the North line of the South 460.00 feet of said Government Lot 11 with the northeasterly Right of Way line of Primary State Highway No. 1, as established by King County Superior Court Cause No. 529021, said point of intersection being the True Point of Beginning; thence continuing North $14^{\circ} 42' 37''$ west along said northeasterly Right of Way Margin a distance of 692.88 feet to the southwesterly Right of Way Margin of City of Seattle's transmission line as established by ordinance No. 82986, of the City of Seattle; thence North $15^{\circ} 58' 00''$ west a distance of 330.17 feet to the northwesterly Right of Way Margin of City of Seattle's transmission line; thence North $20^{\circ} 38' 25''$ west a distance of 182.94 feet; thence South $40^{\circ} 21' 36''$ east a distance of 175 feet; thence South $56^{\circ} 14' 07''$ east a distance of 220 feet, more or less, to an intersection with the South Line of Government Lot 7; thence east along the South line of Government Lot 7 for a distance of 210 feet, more or less; thence North $27^{\circ} 03' 34''$ east a distance of 725 feet, more or less to an intersection with the northeasterly boundary of the proposed extension of the Duwamish Waterway; thence South $41^{\circ} 52' 31''$ east a distance of 899.10 feet to the northwesterly bank of the Duwamish River then southwesterly along said northwesterly bank a distance of 1493.0 feet, more or less, to the north line of the South 460 feet of said Government Lot 11, thence North $89^{\circ} 18' 52''$ west along said North line of the South 460 feet of Government Lot 11 a distance of 194 feet, more or less to the True Point of Beginning.

Except the strip of land for City of Seattle transmission line as established by ordinance No. 82986 of the City of Seattle.

Comprising an area of 19.98 acres, more or less.

EXHIBIT D

Description of Prior Security Interests of Record

1. UCC-1 filed with Washington Department of Licensing on March 7, 1985 under filing No. 85-666-0387, Walter Lowe, Inc., secured party, Atlas Building Wreckers, Inc., Debtor. Covers all salvage inventory in Debtor's Seattle salvage yard.
2. Notice of Federal Tax Lien filed against Atlas Building Wreckers, Inc., 2035 N. Willamette Blvd., Portland, Oregon with the Secretary of State of Oregon on November 15, 1985 under filing No. K17470.
3. UCC-1 filed with Oregon Secretary of State on March 6, 1985 under filing No. J76425, Walter Lowe, Inc., secured party, Atlas Building Wreckers, Inc., Debtor. Covers all salvage inventory in Debtor's Portland salvage yard.



DFT 001522

IRREVOCABLE SPECIAL POWER OF ATTORNEY
COUPLED WITH AN INTEREST

STATE OF WASHINGTON)
COUNTY OF KING) KNOW ALL MEN BY THESE PRESENTS

STATE OF OREGON)
COUNTY OF MULTNOMAH)

Each of the undersigned Principals has made constituted and appointed, and by these presents does hereby make constitute and appoint PACCAR Inc, a Delaware Corporation, having a place of business at 777 - 106th NE, Bellevue, Washington, 98004, acting by such of its employees, agents and independent contractors as it may from time to time designate in writing for purposes of exercising the powers and authority herein granted, our true and lawful Attorney-in-Fact coupled with an interest for us and in our name, place and stead to grant, bargain, sell, assign, convey, transfer, remove, use, operate, destroy, demolish, scrap, discard, rehabilitate, repair, reconstitute, recycle, bury, give, donate and encumber any and all of our personal property located upon the real property described on Exhibit A attached hereto and incorporated herein, and more particularly described as follows:

various equipment salvage and other used materials deposited on the real property described on Exhibit A and as shown on Exhibit B attached hereto, including, without limitation, the following: used timbers, planks, boards and other lumber and wood salvage; used and wrecked machinery and equipment, and parts and components of machinery and equipment, iron tanks, containers, and assorted scrap metal; building demolition spoils consisting of concrete, masonry and brick and used brick extracted therefrom; and machinery and equipment (such as fork lifts and hauling trucks and office trailers) in various states of repair (collectively the "Materials"). The Materials are intended to include all personal property of all types belonging to Principals and now located on said real property and as shown in Exhibit B hereto, whether or not the particular type thereof is above enumerated,

for such price, or for no consideration (including donation for sale or removal or for use on said real property or its environs by the land owner), and on such terms and conditions, as said Attorney-in-Fact shall in its sole discretion deem proper, and with or without the taking back of purchase money mortgage security, and to collect and receive the proceeds from any such sale or other disposition; and including, without limitation, for such purposes the power and authority:

(a) to sell, assign, transfer and donate to any person (including the Attorney in Fact and the owner of the real prop-

erty on which such Materials are situated) desiring to acquire ownership of and/or remove any of the Materials, all right, title and interest of Principals in and to such Materials, and for such consideration, or for no consideration whatever, as is deemed necessary or advisable by said Attorney-in-Fact as determined in its sole discretion;

(b) to encumber any such Materials or to discharge, or arrange for the purchaser's or user's assumption of, any encumbrances thereon in connection with sale or donation thereof (including without limitation, prepayment or assumption of any existing encumbrance) on such terms and conditions as said Attorney in Fact in its discretion deems proper;

(c) to remove and use or demolish, scrap, destroy, bury, reconstitute, recycle, repair, operate, discard or dispose of any of such Materials at the expense of the Principals and for any purpose whatsoever;

(d) to collect and retain all cash and other proceeds received from any disposition of the Materials for deposit to and withdrawal from the security account established for said Attorney In Fact and referred to in the Security and Partial Settlement Agreement (the terms of which are hereby incorporated by this reference) of even date herewith between Principals and said Attorney in Fact, for application to any indebtedness of Principals to said Attorney in Fact, as provided therein;

(e) to take such action, at the expense of the Principals, as said Attorney may deem necessary or desirable to obtain, comply with, and to cure any violation of, any permit required for any activities, past or future, of Principals on the foregoing described real property and under the Revocable License Agreement entered into between said Principals and the Attorney in Fact on the date hereof respecting the use of such real property, or to comply with any applicable law, statute, ordinance or regulation applicable to said past or future activities thereon of Principals; and

(f) To execute any and all documents, and to take any and all such other actions, in our name as Principals in connection with the sale, removal or other use of such Materials as said Attorney in Fact may in its sole discretion deem proper.

Each Principal further gives and grants unto said Attorney in Fact full power and authority to do and perform every act necessary and proper to be done in the exercise of any of the foregoing powers as fully as the Principal might or could do if personally present, each Principal hereby ratifying and confirming all that such said Attorney in Fact shall lawfully do or cause to be done by virtue hereof.

As to each Principal and said Attorney in Fact, this power shall become effective as the date below executed and shall not be

affected by the disability, incapacity or incompetency or bankruptcy of such Principal or by any uncertainty as to whether such Principal is dead or alive. The fact that this power is no longer effective as to one Principal for whatever reason shall not affect its effectiveness as to the other Principal.

The laws of the State of Washington and, in particular, Chapter 11.94 RCW, shall govern this Irrevocable Special Power of Attorney Coupled with an Interest in all respects.

The Attorney in Fact hereunder is empowered to determine in its sole discretion whether, the time when, the purposes for and manner in which any power herein conferred upon it will be exercised, and the conditions, provisions and covenants of any instrument or document which may be executed by said Attorney in Fact pursuant hereto, and in the acquisition or disposition of any Materials said Attorney in Fact shall have exclusive power to fix the terms thereof for cash, credit and/or property, and if on credit with or without security, or for no consideration whatever. Said Attorney in Fact shall have the right, exercised in its sole discretion, but no obligation, to undertake and perform any of the foregoing powers or other powers granted herein without any liability whatsoever to the Principals for any such actions taken by said Attorney in Fact in good faith.

This Irrevocable Special Power of Attorney Coupled with an Interest is granted to the herein named Attorney in Fact pursuant and subject to a Revocable License Agreement of even date and for the purposes of permitting the cure or mitigation of the consequences of past and future actions of Principals and arising (1) by reason of Principals' defaults under that certain Sublease between Principals and the Attorney in Fact dated March 1, 1979 of certain real property located in King County, Washington and included in Exhibit A hereto, and (2) by reason of the Principals' trespass and encroachment upon, and use without authorization of, certain land areas adjacent to the premises leased under such Sublease and included in Exhibit A hereto, and (3) to secure the payment and performance of the obligations of Principals arising under said Revocable License Agreement entered into with the Attorney in Fact on the date hereof, the purpose of which Agreement is to permit and require Principals to cure said Sublease defaults and alleviate the consequences of such unauthorized trespass. This Irrevocable Special Power of Attorney Coupled with an Interest is accordingly coupled with an interest in the Attorney in Fact, as sublessor and lessee of the real property affected by the foregoing Materials and actions of Principals, and by reason of the Attorney in Fact as consideration herefor granting Principals continued access to said real property under the said Revocable License Agreement, and is therefore irrevocable by Principals so long as any of such defaults remain uncured or any liability or obligation of Principals under said Revocable License Agreement or the Security and Partial Settlement Agreement executed by Principals in favor of Secured Party on the date hereof remains unpaid or unperformed in full.

Notwithstanding the foregoing provisions: the powers granted to the Attorney-in-Fact under this Irrevocable Special Power of Attorney Coupled with an Interest shall not be exercisable prior to the earlier of (i) January 31, 1987, (ii) termination of said Revocable License Agreement, or (iii) the occurrence of an Event of Default under the Security and Partial Settlement Agreement or of a default under the Revocable License Agreement herein referred to; and such powers herein granted shall terminate on the third anniversary of the date of execution hereof; and notwithstanding any other provision of this Irrevocable Special Power of Attorney Coupled With an Interest, said Attorney in Fact is not authorized hereby to incur hereunder any expense payable by either Principal in excess of the amount of \$200,000. Such expense limitation shall not, however, imply any limitation of claims for damages or other rights of the Attorney-in-Fact respecting acts or omissions of the Principals or expenses of curing the same.

Each Principal by execution hereof represents and warrants to the Attorney in Fact that this Irrevocable Special Power of Attorney Coupled With an Interest has been duly authorized by all necessary corporate or other legal (including shareholder) action on the part of such Principal, has been duly executed and delivered by such Principal, and is the legal, valid and binding obligation of such Principal enforceable in accordance with its terms.

This Irrevocable Special Power of Attorney Coupled with an Interest shall not limit or modify any rights of the Attorney in Fact or obligations of the Principals under the Sublease hereinabove referred to, under the Revocable License Agreement or under the Security and Partial Settlement Agreement executed by the Principals on the date hereof.

Failure of either Principal to execute this Irrevocable Special Power of Attorney Coupled with an Interest shall not limit or modify the provisions hereof in respect of any Principal executing this Irrevocable Special Power of Attorney Coupled with an Interest, and the provisions hereof are to be construed as the joint and several acts of each Principal.

This Irrevocable Special Power of Attorney coupled with an Interest may be executed in any number of counterparts, all of which together shall constitute a single instrument. It shall not be necessary that any counterpart be signed by all Principals so long as each Principal bound hereby shall have executed and delivered one counterpart hereof.

Witness our hands this 25th day of April, 1986.

Address:
2035 N.W. Willamette Blvd.
Portland, Oregon 97217

Atlas Building Wreckers, an
Oregon Partnership or
Sole Proprietorship

By General Partner (if a partnership)
Proprietor (if a proprietorship)

Attest:

Atlas Building Wreckers, Inc.
a Washington Corporation

(Seal)

Secretary

By

Thomas J. Lane
Its President

Address:
P.O. Box 17449
Portland, Oregon 97217

Exhibit A - Legal Description
Exhibit B - Photo

State of OREGON, County of MULTNOMAH, ss.

This instrument was acknowledged before me on _____, 1986,
by WALTER LOWE, as General Manager of Atlas Building Wreckers, an
Oregon sole proprietorship.

(SEAL)

Notary Public
My commission expires:

State of OREGON, County of MULTNOMAH, ss.

This instrument was acknowledged before me on _____, 1986,
by WALTER LOWE, as General Partner of Atlas Building Wreckers, an
Oregon General Partnership.

(SEAL)

Notary Public
My commission expires:

State of OREGON, County of MULTNOMAH, ss.

This instrument was acknowledged before me on 4-25-86, 1986,
by LARRY LOWE, as President of Atlas Building Wreckers, Inc., a
Washington Corporation.

(SEAL)

Ethel M. Ray
Notary Public
My commission expires: 5-2-88

EXHIBIT A

Description of Real Property

That portion of Government Lot 11, Section 4, Township 23 North, Range 5 East, W.M. in King County, Washington, being more particularly described as follows:

Commencing at the Southwest corner of said Government Lot 11; thence South $89^{\circ} 18' 52''$ East along the South line of said Government Lot 11 a distance of 988.40 feet; thence North $14^{\circ} 42' 37''$ west a distance of 477.12 feet to an intersection of the North line of the South 460.00 feet of said Government Lot 11 with the northeasterly Right of Way line of Primary State Highway No. 1, as established by King County Superior Court Cause No. 529021, said point of intersection being the True Point of Beginning; thence continuing North $14^{\circ} 42' 37''$ west along said northeasterly Right of Way Margin a distance of 692.88 feet to the southwesterly Right of Way Margin of City of Seattle's transmission line as established by ordinance No. 82986, of the City of Seattle; thence North $15^{\circ} 58' 00''$ west a distance of 330.17 feet to the northwesterly Right of Way Margin of City of Seattle's transmission line; thence North $2^{\circ} 38' 25''$ west a distance of 182.94 feet; thence South $40^{\circ} 21' 36''$ east a distance of 175 feet; thence South $56^{\circ} 14' 07''$ east a distance of 220 feet, more or less, to an intersection with the South Line of Government Lot 7; thence east along the South line of Government Lot 7 for a distance of 210 feet, more or less; thence North $27^{\circ} 03' 34''$ east a distance of 725 feet, more or less to an intersection with the northeasterly boundary of the proposed extension of the Duwamish Waterway; thence South $41^{\circ} 52' 31''$ east a distance of 899.10 feet to the northwesterly bank of the Duwamish River then southwesterly along said northwesterly bank a distance of 1493.0 feet, more or less, to the north line of the South 460 feet of said Government Lot 11, thence North $89^{\circ} 18' 52''$ west along said North line of the South 460 feet of Government Lot 11 a distance of 194 feet, more or less to the True Point of Beginning.

Except the strip of land for City of Seattle transmission line as established by ordinance No. 82986 of the City of Seattle.

Comprising an area of 19.98 acres, more or less.

Said real property has been leased by Assunta Desimone, et. al., as Lessors, to PACCAR Inc, as Lessee, under a lease dated March 27, 1977 and recorded under filing number 7704010233, records of King County, Washington. A portion of said real property has been heretofor subleased by the Attorney-in-Fact as sublessor to Principals as sublessees under a Sublease dated March 1, 1979 and expiring February 28, 1986.

EXHIBIT F

BOARD OF DIRECTORS RESOLUTION
ATLAS BUILDING WRECKERS, INC.

WHEREAS, by Sublease dated as of March 1, 1979 (as amended, the "Sublease") between PACCAR Inc, as Sublessor, and Atlas Building Wreckers, as Sublessee, to which reference is made, Atlas Building Wreckers subleased certain property described in the Sublease and located in Government Lot 11, Section 4, Township 23 North, Range 5 East, W.M., King County, Washington, for a term (as since extended pursuant to the Sublease) expiring February 28, 1986;

WHEREAS, this corporation assumed all obligations and liabilities of sublessee under said Sublease by resolution dated October 25, 1982;

WHEREAS, PACCAR Inc as Sublessor has declined to renew the Sublease, and there remains on the premises at the termination of the Sublease various personal property of this corporation including used equipment, building materials, salvage and debris, as further described in the Revocable License Agreement hereinafter referred to;

WHEREAS, during the term of the Sublease this corporation has encroached upon areas of the real property adjacent to the Subleased premises and not leased by PACCAR to the sublessee under the Sublease, which areas are, however, leased by PACCAR under the prime lease from Assunta Desimone, et al, to PACCAR dated March 27, 1977, and which areas PACCAR is or may be required to return to said Lessor under said prime lease in the original condition thereof;

WHEREAS, to enable the corporation to remedy its defaults under said Sublease and the consequences of its trespass upon and use of said contiguous real property without authorization therefor, and to recover such value as is possible from the materials located on said real property, PACCAR Inc and this corporation have entered into a Revocable License Agreement, a Security and Partial Settlement Agreement and an Irrevocable Special Power of Attorney Coupled with an Interest on February, 1986, each in the form attached to this Resolution;

WHEREAS, said Revocable License Agreement requires that this corporation adopt a Board of Directors Resolution ratifying the execution of each such agreement, and such agreements afford this corporation valuable rights in enabling it to remedy said matters and recover whatever value may be obtained from sale or removal of the materials located on said real property, and

WHEREAS, ratification of the execution of such agreements is of benefit to and in the best interests of this corporation;

NOW THEREFORE BE IT RESOLVED that execution of each of the Revocable License Agreement, Security and Partial Settlement Agreement and related UCC-1 Financing Statements, and Irrevocable Special Power of Attorney Coupled with an Interest with PACCAR Inc, each in the form attached to this Resolution, by Larry Lowe and _____, as President and Secretary of this corporation, respectively, on April __, 1986, be and the same are hereby ratified and confirmed as the valid and binding acts of this corporation obligating this corporation in accordance with the terms of each such instrument.

ADOPTED BY UNANIMOUS CONSENT of the Board of Directors of Atlas Building Wreckers, Inc., at a meeting duly called upon notice duly given and held on _____, 1986.

Director

Director

Director

Director

I, _____, duly elected and acting Secretary of Atlas Building Wreckers, Inc., a Washington corporation, do hereby certify that on the date hereof, the following individuals owned all issued and outstanding voting stock of said corporation in the number of shares below indicated for each such individual:

NAME	SHARES OWNED
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Certified this _____ day of _____, 1986

By _____

Secretary,
Atlas Building Wreckers, Inc.

(Seal)